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Published by
Montana Legislative Council
Room 138, State Capitol
Helena, Montana 59620
Telephone (406)444-3064
1989

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# 1989
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Montana Growth Through Agriculture Act, Title 90, ch. 9.

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## General Provisions

**Part Cross-References**

Organization of the Department of Agriculture, Title 2, ch. 15, part 30.

**80-1-101. Definition.** Unless the context requires otherwise, in this title "department" means the department of agriculture provided for in Article XII, section 1, of the Montana constitution and in Title 2, chapter 15, part 30.

**History: En. 3-106.1 by Sec. 1, Ch. 218, L. 1974; R.C.M. 1947, 3-106.1.**

**80-1-102. Duties of department.** The department shall:

(1) encourage and promote the interests of agriculture, including horticulture and apiculture, and all other allied industries;

(2) collect and publish statistics relating to the production and marketing of crops and other agricultural products so far as the information may be of value to the agricultural and allied interests of the state;

(3) assist, encourage, and promote the organization of farmers' institutes, horticultural and agricultural societies, the holding of fairs, livestock shows, or other exhibits of the products of agriculture;

(4) adopt standards for open and closed receptacles for farm products and standards for the grade and other classification of farm products;

(5) cooperate with producers and consumers in devising and maintaining economical and efficient systems of distribution and aid in the reduction of waste and expense incidental to marketing;

(6) have the authority to maintain a market news service, including information as to crops, freight rates, commission rates, and other matters as may be of service to producers and consumers, and act as a clearinghouse for information of value to producers and consumers;

(7) gather and diffuse information concerning the supply, demand, prevailing prices, and commercial movement of farm products;

(8) investigate the practices and methods of factors, commission merchants, and others who receive, solicit, buy, sell, handle on commission or otherwise, or deal in grain, vegetables, or other farm products, so that distribution of the commodities is accomplished efficiently, economically, and without hardship, waste, or fraud;

(9) cooperate with Montana state university, the agricultural experiment station, and the federal government for the betterment of the agricultural industries of the state, the improvement of rural life, and promotion of equality of opportunity for the farmers of the state;

(10) take and hold in the name of the state of Montana property, real and personal, acquired by gifts, subscriptions, donations, and bequests;

(11) sell and dispose of personal property owned by it in a manner the department may provide, when in the judgment of the department the sale or disposal best promotes the purposes for which the department is established;

(12) contract in respect to any matter within the scope of its authority;

(13) enforce this title and all other laws for the protection and regulation of agriculture.

**History: En. Sec. 7, Ch. 216, L. 1921; re-en. Sec. 3561, R.C.M. 1921; re-en. Sec. 3561, R.C.M. 1935; amd. Sec. 13, Ch. 80, L. 1961; amd. Sec. 2, Ch. 218, L. 1974; R.C.M. 1947, 3-107.**

**Cross-References**

Agriculture in Montana schools program account — administration, 15-30-151.

Agricultural experimentation and research, 20-25-222 through 20-25-232.

Renewable resource development, Title 90, ch. 2, part 1.

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Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

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Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Registration of ranch owners and ranch names, 30-13-112.

**80-1-201. Department of revenue to collect farm statistics.** It shall be the duty of the department of revenue, at the time of making the annual assessment of property to collect such statistics in relation to farm products and agricultural resources from each farm owner, operator, or renter as shall be called for by the director of agriculture and on blanks to be prepared and furnished by the director of agriculture.

**History: En. Sec. 1, Ch. 187, L. 1921; re-en. Sec. 2043, R.C.M. 1921; re-en. Sec. 2043, R.C.M. 1935; amd. Sec. 22, Ch. 405, L. 1973; R.C.M. 1947, 84-449.**

**Cross-References**

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Land use — land use planning boards, Title 76, ch. 1.

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Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

**80-1-202. Delivery to director of agriculture.** The original blanks upon which the statistics are gathered by the department of revenue shall be returned to the director of agriculture immediately on completion of the assessment work and not later than July 1 each year.

**History: En. Sec. 2, Ch. 187, L. 1921; re-en. Sec. 2044, R.C.M. 1921; re-en. Sec. 2044, R.C.M. 1935; amd. Sec. 23, Ch. 405, L. 1973; R.C.M. 1947, 84-450.**

**80-1-203. Statistics, how obtained.** If for any reason the department of revenue is unable to obtain the statistics from any farm owner, operator, or renter, it shall obtain them from the most reliable source, so that the returns may be complete.

**History: En. Sec. 3, Ch. 187, L. 1921; re-en. Sec. 2045, R.C.M. 1921; re-en. Sec. 2045, R.C.M. 1935; amd. Sec. 24, Ch. 405, L. 1973; R.C.M. 1947, 84-451.**

**80-1-204. Penalty for refusal to furnish statistics.** Any farm owner, operator, or renter refusing to furnish the information called for in 80-1-201, or willfully furnishing fraudulent information to the department of revenue, upon proper request therefor, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not less than $10 or more than $100, and cost of prosecution.

**History: En. Sec. 4, Ch. 187, L. 1921; re-en. Sec. 2046, R.C.M. 1921; re-en. Sec. 2046, R.C.M. 1935; amd. Sec. 25, Ch. 405, L. 1973; R.C.M. 1947, 84-452.**

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Fertilizer Advisory Committee, 2-15-1516.

Montana Agriculture Development Council, 2-15-3015.

County agricultural and livestock services, 7-21-3201 through 7-21-3203.

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Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

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Agricultural loans — loan guaranty program — fund, 80-12-215, 80-12-216.

Weather modification, Title 85, ch. 3, part 1.

Montana Growth Through Agriculture Act, Title 90, ch. 9.

## Part 1

## Rural Rehabilitation

**Part Cross-References**

Farm housing provisions, 7-15-2113, 7-15-2121, 7-15-2122.

Appropriation of money for extension work in agriculture authorized, 7-21-3203.

**80-2-101. Trust assets of rural rehabilitation corporation — department of agriculture designated to make application.** The department of agriculture is designated as the department of Montana state government to apply to the secretary of agriculture of the United States or any other proper federal official under Public Law 499, 81st congress, approved May 3, 1950, for the return of the trust assets, either funds or property, held by the United States as trustee in behalf of the Montana rural rehabilitation corporation.

**History: En. Sec. 1, Ch. 112, L. 1951; amd. Sec. 103, Ch. 218, L. 1974; R.C.M. 1947, 3-2801.**

**80-2-102. Agreements with United States secretary of agriculture authorized.** (1) The department shall enter into agreements with the secretary of agriculture of the United States under section 2(f) of Public Law 499, 81st congress, upon terms and conditions and for periods of time as are mutually agreeable, authorizing the secretary of agriculture to accept, administer, spend, and use in the state all or any part of the trust assets or any other funds of the state which may be appropriated for carrying out the purposes of Titles I and II of the Bankhead-Jones Farm Tenant Act, in accordance with the applicable provisions of Title IV thereof, as amended, and do all things necessary to carry out the agreements.

(2) The program must be administered with funds appropriated for such purposes and any request for an increase of spending authority for administering the program requires a budget amendment and is subject to Title 17, chapter 7, part 4.

**History: En. Sec. 2, Ch. 112, L. 1951; amd. Sec. 104, Ch. 218, L. 1974; R.C.M. 1947, 3-2802; amd. Sec. 3, Ch. 328, L. 1985.**

**80-2-103. Administration of trust assets.** Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 must be received by the department and paid by it to the state treasurer for deposit in the expendable trust fund and are statutorily appropriated, as provided in 17-7-502, to be used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499.

Expenditures for actual and necessary expenses required for the efficient administration of this part must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

**History: En. Sec. 3, Ch. 112, L. 1951; amd. Sec. 45, Ch. 147, L. 1963; amd. Sec. 105, Ch. 218, L. 1974; R.C.M. 1947, 3-2803; amd. Sec. 38, Ch. 281, L. 1983; amd. Sec. 33, Ch. 703, L. 1985; amd. Sec. 11, Ch. 628, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end inserted provision that expenditures for administration of this part must be from temporary appropriations made for that purpose; and made minor changes in punctuation and phraseology. Amendment effective July 1, 1989.

**80-2-104. Powers of department — claims and obligations — property acquired at foreclosure.** (1) The department may:

(a) collect, compromise, adjust, or cancel claims and obligations arising out of or administered under this part or under any mortgage, lease, contract, or agreement entered into or administered under this part and, if necessary, pursue them to final collection in any court having jurisdiction;

(b) bid for and purchase at any execution, foreclosure, or other sale or otherwise acquire property upon which the department has a lien by reason of a judgment or execution or which is pledged, mortgaged, or conveyed or which otherwise secures any loan or other indebtedness owing to or acquired by the department under this part;

(c) accept title to any property so purchased or acquired, operate or lease the property for a period necessary to protect the investment, and sell or otherwise dispose of the property in a manner consistent with this part.

(2) The authority granted to the department in this section may be delegated to the secretary of agriculture with respect to funds or assets authorized to be administered and used by him under agreements entered into under 80-2-102.

**History: En. Sec. 4, Ch. 112, L. 1951; amd. Sec. 106, Ch. 218, L. 1974; R.C.M. 1947, 3-2804.**

**Cross-References**

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Disposal of foreclosed agricultural land, Title 25, ch. 13, part 9.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

"Department" defined, 80-1-101.

**80-2-105. United States and secretary of agriculture free from liability.** The United States and the secretary of agriculture are free from liability by virtue of the transfer of the assets to the department under this part.

**History: En. Sec. 5, Ch. 112, L. 1951; amd. Sec. 107, Ch. 218, L. 1974; R.C.M. 1947, 3-2805.**

**80-2-106. Rules.** The department may adopt rules necessary to carry out the provisions of this part.

**History: En. 3-2806 by Sec. 1, Ch. 30, L. 1977; R.C.M. 1947, 3-2806.**

## Part 2

## Hail Insurance

**Part Cross-References**

Farm mutual insurers, Title 33, ch. 4.

**80-2-201. Powers and duties of board of hail insurance.** The board of hail insurance provided for in 2-15-3003:

(1) shall hold meetings when necessary and essential for the proper conduct of its business;

(2) is hereby authorized, directed, and empowered to make rules as it may from time to time find practical, necessary, and beneficial for the administration of this part;

(3) shall prescribe blank forms for all purposes necessary, proper, and incidental to the effective operation and enforcement of this part; and

(4) shall use any appropriate means of communication to inform Montana producers of the purposes, scope, and benefits of this part in furnishing protection against loss by hail at the actual cost of the risk to all taxpayers who may elect to become subject to the provisions of this part.

**History: En. Sec. 1, Ch. 169, L. 1917; amd. Sec. 1, Ch. 17, Ex. L. 1918; amd. Sec. 1, Ch. 141, L. 1921; re-en. Sec. 350, R.C.M. 1921; amd. Sec. 1, Ch. 40, L. 1923; re-en. Sec. 350, R.C.M. 1935; amd. Sec. 58, Ch. 391, L. 1973; amd. Sec. 140, Ch. 218, L. 1974; amd. Sec. 2, Ch. 468, L. 1977; R.C.M. 1947, 82-1501(part); amd. Sec. 4, Ch. 691, L. 1983.**

**80-2-202. Compensation of chairman and officers.** (1) The appointed members of the board of hail insurance shall receive a per diem of $25 for each day they are engaged in the transaction of official business.

(2) All board members and employees shall be allowed expenses as provided in 2-18-501 through 2-18-503.

(3) All other public officials specified in this chapter shall perform the duties relative to hail insurance without other compensation than that allowed by law.

**History: En. Sec. 12, Ch. 169, L. 1917; amd. Sec. 2, Ch. 183, L. 1921; re-en. Sec. 363, R.C.M. 1921; amd. Sec. 12, Ch. 40, L. 1923; amd. Sec. 1, Ch. 165, L. 1929; re-en. Sec. 363, R.C.M. 1935; amd. Sec. 1, Ch. 53, L. 1951; amd. Sec. 1, Ch. 165, L. 1961; amd. Sec. 1, Ch. 188, L. 1965; amd. Sec. 11, Ch. 237, L. 1967; amd. Sec. 38, Ch. 93, L. 1969; amd. Sec. 34, Ch. 13, L. 1977; amd. Sec. 13, Ch. 343, L. 1977; R.C.M. 1947, 82-1519.**

**80-2-203. Participation in program — tax.** (1) Any taxpayers or associations of taxpayers engaged in the growing of crops other than specified herein or other agricultural or horticultural products subject to injury or destruction by hail may, by their individual or joint election filed with and approved by the board of hail insurance, accept the provisions of this part and elect to become subject thereto, and in such event such risks may be classified by the board and suitable levies imposed as may be agreed upon by the board and such taxpayers, whereupon such taxpayers shall be entitled to the benefits and protection afforded by the insurance provisions of this part.

(2) Every farmer taxpayer who signifies his desire to become subject to the provisions of this part shall file in the office of the county assessor the properly filled out form not later than August 15 and shall be chargeable with the tax hereinafter provided for on lands growing crops subject to injury or destruction by hail and shall share in the protection and benefits under the hail insurance provisions of this part. Such application for hail insurance shall be in full force and effect at noon the day following the acceptance of the same by the county assessor.

(3) This part shall not be so construed as to empower anyone except the actual owner of the land to make such land subject to the hail tax provided in this part.

**History: (1)En. Sec. 11, Ch. 169, L. 1917; re-en. Sec. 362, R.C.M. 1921; re-en. Sec. 362, R.C.M. 1935; Sec. 82-1518, R.C.M. 1947; (2), (3)En. Sec. 1, Ch. 169, L. 1917; amd. Sec. 1, Ch.**

**17, Ex. L. 1918; amd. Sec. 1, Ch. 141, L. 1921; re-en. Sec. 350, R.C.M. 1921; amd. Sec. 1, Ch. 40, L. 1923; re-en. Sec. 350, R.C.M. 1935; amd. Sec. 58, Ch. 391, L. 1973; amd. Sec. 140, Ch. 218, L. 1974; amd. Sec. 2, Ch. 468, L. 1977; Sec. 82-1501, R.C.M. 1947; R.C.M. 1947, 82-1501(3), 82-1518.**

**Cross-References**

Crop lien — when created — assessment, 80-2-226.

**80-2-204. Duty of agent of the department of revenue — election of benefits of law.** It shall be the duty of the agent of the department of revenue in each county in the state upon request to explain to each taxpayer engaged in the growing of crops subject to injury or destruction by hail the provisions of this part and the protection afforded thereby and to issue insurance policies, on the forms provided for such purpose, if such taxpayer desires to become subject to this part and liable for the tax levies provided hereby and thereby eligible to the benefits and protection of this part. Each such taxpayer who elects to become subject to this part shall be liable for the taxes levied for hail insurance and shall participate in the benefits and protection afforded by this part, provided that the owners of lands worked by others under lease or contract shall elect if such lands shall be subject to the tax levies herein provided for and the crops grown thereon protected for hail insurance, or the lessee of such land may tender payment of the tax levied for hail insurance to protect his crops, in cash, to the officer authorized to receive same, whereupon such crops shall become eligible to the benefits and protection afforded by this part for hail insurance.

**History: En. Sec. 5, Ch. 169, L. 1917; re-en. Sec. 356, R.C.M. 1921; re-en. Sec. 356, R.C.M. 1935; amd. Sec. 60, Ch. 391, L. 1973; R.C.M. 1947, 82-1512; amd. Sec. 5, Ch. 691, L. 1983.**

**Cross-References**

County Assessor as agent of Department of Revenue, 15-8-102.

**80-2-205. What crops subject to provisions of law.** The crops grown on the lands of all taxpayers who shall elect to become subject to this part shall be insured under the provisions of this part for the acreage and the kind of crop for which taxes for hail insurance will have been levied, which insurance shall be provided for, determined, and adjusted and paid for as provided by this part.

**History: En. Sec. 6, Ch. 169, L. 1917; re-en. Sec. 357, R.C.M. 1921; re-en. Sec. 357, R.C.M. 1935; R.C.M. 1947, 82-1513.**

**80-2-206. Cash payment.** When an applicant for hail insurance tenders cash for the same to the county assessor, he shall be allowed a discount of 4%. His hail insurance shall be issued upon said cash payment less the 4% mentioned. The charge for the insurance shall be based on the maximum rates shown on the application for hail insurance. If the current rates are reduced later, the board of hail insurance shall arrange for the proper refund to the insured. All cash received by the assessor shall be promptly turned over to the county treasurer who will furnish the insured with a current receipt and place the money in the hail insurance fund.

**History: En. Sec. 3, Ch. 40, L. 1923; amd. Sec. 3, Ch. 54, L. 1931; re-en. Sec. 350.2, R.C.M. 1935; amd. Sec. 1, Ch. 37, L. 1943; R.C.M. 1947, 82-1503(2).**

**Cross-References**

Release of lien, 80-2-230.

**80-2-207. Delinquent taxes — application by delinquent — crop lien.** (1) No owner of land who has more than 1 year's delinquent taxes on his land shall be allowed hail insurance under the provisions of this part, unless his application is accompanied by a cash payment for the amount that would be due on said application in the event of a maximum levy for that year.

(2) Any grain grower unable to secure state hail insurance under the provisions of this part on account of delinquent taxes or for other reasons may make application to the county assessor of his respective county and said county assessor is hereby authorized to receive and accept such applications where the applicant furnishes a sufficient crop lien subject only to a seed lien, provided that such crop lien shall be accepted only under such rules and requirements as may be prescribed by the board of hail insurance and provided that the board may cancel any hail insurance accepted in violation of said rules and requirements. Upon receipt of said application, the county assessor shall make record thereof and shall file the original in the office of the clerk and recorder of said county. He shall also cause an assessment for the proper amount to be made on the assessment rolls in the same manner provided for in the case of other special levies or assessments.

(3) No tenant who has delinquent hail insurance which was secured by a crop lien only and not secured by real estate shall be allowed another policy in any succeeding year until he pays his delinquent account or accounts or until he pays cash for the current hail insurance.

(4) If any tenant becomes delinquent for his hail insurance after having failed to apply for relief as provided by the board under 80-2-229, he may apply to the board for a reduction. If his reasons for requesting a reduction are approved by the board, the board may reduce his charge to not less than one-half the original amount charged.

**History: (1) thru (3)En. Sec. 3, Ch. 40, L. 1923; amd. Sec. 3, Ch. 54, L. 1931; re-en. Sec. 350.2, R.C.M. 1935; amd. Sec. 1, Ch. 37, L. 1943; Sec. 82-1503, R.C.M. 1947; (4)En. Sec. 3, Ch. 169, L. 1917; amd. Sec. 4, Ch. 34, L. 1919; re-en. Sec. 354, R.C.M. 1921; amd. Sec. 6, Ch. 40, L. 1923; re-en. Sec. 354, R.C.M. 1935; amd. Sec. 2, Ch. 37, L. 1943; Sec. 82-1509, R.C.M. 1947; R.C.M. 1947, 82-1503(1), (3), 82-1509(part).**

**Cross-References**

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Hail insurance secured by crop lien only, 80-2-227.

Payment of losses, 80-2-244.

**80-2-208. Maximum insurance.** When the reserve fund is determined actuarially sound, as provided in 80-2-228, the board may write not more than $24 insurance on each acre of grain which is on nonirrigated land and not more than $48 per acre on irrigated land. When more than one party desires hail insurance on the same crop, each party is entitled to the share of the maximum provided per acre as represented by his interest in the crop. Either party may insure his share in the crop for any amount up to and including the maximum per acre if the others waive their right to insure.

**History: En. Sec. 2, Ch. 40, L. 1923; re-en. Sec. 350.1, R.C.M. 1935; amd. Sec. 1, Ch. 33, L. 1949; amd. Sec. 1, Ch. 200, L. 1953; amd. Sec. 1, Ch. 154, L. 1975; amd. Sec. 31, Ch. 13, L. 1977; R.C.M. 1947, 82-1502.**

**80-2-209. Reinsurance.** Because of the unusual or unexpected variation in the severity of damage to grain crops which occur from year to year and in order to enable the hail insurance board to spread the effect of these variations more evenly over all years, the board is hereby authorized to negotiate for and to secure reinsurance of a part of the risk in any year when the need of such reinsurance appears advisable to the board. The board is hereby authorized to use moneys from hail insurance levies for the purchase of such reinsurance whenever it appears to the board that such reinsurance is necessary and advisable.

**History: En. Sec. 3, Ch. 37, L. 1943; amd. Sec. 74, Ch. 147, L. 1963; R.C.M. 1947, 82-1505.**

**80-2-210 through 80-2-220 reserved.**

**80-2-221. Tax for hail insurance.** (1) A tax is hereby authorized and directed to be levied on all lands in this state growing crops subject to injury or destruction by hail, the owners of which have elected to become subject to the provisions of this part.

(2) The board of hail insurance shall annually estimate, as accurately as possible, the amount required to pay all losses, interest on warrants, and costs of administration and shall recommend a levy to be made on each kind of land respectively, subject to the provisions of this part, to the department of revenue. The rates recommended to apply on the lands of owners shall be applied in the same proportions to the crops of those insured on a personal assessment basis.

**History: En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; R.C.M. 1947, 82-1506(1); amd. Sec. 1, Ch. 20, L. 1979; amd. Sec. 6, Ch. 691, L. 1983.**

**80-2-222. Board to establish amount of levy — disposition of funds.** (1) The board of hail insurance may, when it considers it advisable, establish as many districts as it considers advisable and may maintain maximum rates in various parts of the state, which rates shall be commensurate with the risk incurred as nearly as it can determine from past experiences or from any records available.

(2) Notice of the various rates established for any year shall be plainly printed on the application for hail insurance, and the rates for the year shall be determined and levied by the board of hail insurance for each of the various districts as established, in such proportions as will in its judgment be fair and equitable.

(3) In making the levy provided in this section and 80-2-223, the board of hail insurance shall provide for:

(a) the payment of all expenses of administration, together with all interest owed or to be owing on registered warrants;

(b) that portion of the losses incurred during the current year which are not paid from funds drawn from the reserve;

(c) the maintenance of the reserve, a part or all of which may be used in any one year for the purpose of paying the costs of administration, interest on the warrants, and losses as the same shall be settled and adjusted by the board, including the losses sustained in any prior year or years under the hail insurance law that have not been paid.

(4) If at the end of any hail insurance season the board determines and finds that more funds are accumulating from the current year's levies than were estimated when the levy was made and are in excess of the need for the payment of losses and expenses and maintenance of the reserve, the board may, at its discretion, refund the excess to the farmers insured for the year, on a pro rata or percentage basis.

(5) The board of hail insurance may direct the board of investments to invest funds from the expendable trust fund pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the board of hail insurance account in the expendable trust fund.

**History:** **(1), (2)En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; Sec. 82-1506, R.C.M. 1947; (3) thru (5)En. Sec. 2, Ch. 34, L. 1919; re-en. Sec. 352, R.C.M. 1921; amd. Sec. 5, Ch. 40, L. 1923; amd. Sec. 1, Ch. 8, L. 1929; re-en. Sec. 352, R.C.M. 1935; amd. Sec. 3, Ch. 200, L. 1953; amd. Sec. 1, Ch. 20, L. 1957; amd. Sec. 73, Ch. 147, L. 1963; amd. Sec. 3, Ch. 154, L. 1975; amd. Sec. 3, Ch. 16, L. 1977; Sec. 82-1507, R.C.M. 1947; R.C.M. 1947, 82-1506(4), (5), 82-1507(1), (2), (7); amd. Sec. 39, Ch. 281, L. 1983; amd. Sec. 7, Ch. 691, L. 1983.**

**Cross-References**

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Payment for losses from hailstorms, 80-2-244.

**80-2-223. Levy by department of revenue.** The department of revenue shall prescribe such levies annually to be made against lands growing crops subject to injury or destruction by hail which are subject to this part in accordance with the recommendation of the board of hail insurance.

**History:** **En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; R.C.M. 1947, 82-1506(part).**

**Cross-References**

Levies authorized for agricultural commodity protection Art. XII, sec. 1, Mont. Const.

**80-2-224. Assessment — notice — when payable.** Notice of such assessment shall be mailed by the county treasurer to each person insured in the same manner and at the same time as notices of property taxes due. The assessment shall be payable at the office of the county treasurer of each respective county.

**History: En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; R.C.M. 1947, 82-1506(part); amd. Sec. 8, Ch. 691, L. 1983.**

**80-2-225. Real estate lien — creation.** Such tax levies are chargeable to the lands of each taxpayer, respectively, who elects to become subject to this part and shall be extended on the tax roll and collected by the officers charged with such duties in the manner and form as are other property taxes and if not paid shall be a lien on the lands against which the same are levied as are other property taxes. The lien may in no way affect mortgages that are of record on March 14, 1917. The lien of any mortgage filed subsequent to March 14, 1917, shall be subsequent to any lien for hail insurance hereafter levied thereon.

**History: En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; R.C.M. 1947, 82-1506(part).**

**Cross-References**

Liens on real estate, Title 71, ch. 3, part 13.

**80-2-226. Crop lien — when created — assessment.** (1) In addition to the lien created in 80-2-225 on the land of the insured, the levy for such hail insurance shall constitute a lien on the crops insured with the exception that the crop lien may not apply to owners of unencumbered land or to the land or crops of those who pay cash for hail insurance. The applications of these persons may not be filed with the county clerk and recorded as provided for in 80-2-207. The crop lien shall be included in all applications for hail insurance, with the above exceptions, and shall be enforced as provided in 80-2-230 and 80-2-231 against all insured except those owning unencumbered land or those who have paid cash for hail insurance.

(2) All applicants securing hail insurance on crop liens as heretofore provided shall be subject to the same charges per acre as provided herein to be made on land.

**History: En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; R.C.M. 1947, 82-1506(part).**

**Cross-References**

Lien for hail insurance, 71-3-711.

How lien for hail insurance obtained, 71-3-712.

Participation in hail insurance program — tax, 80-2-203.

**80-2-227. Hail insurance secured by crop lien only.** When any hail insurance issued under this part is secured by a crop lien only said crop lien is hereby declared a first lien on the insured crop, except only any crop lien which may have been given to secure the purchase price for the seed which was bought and used to plant and produce the insured grain.

**History:** **En. Sec. 3, Ch. 37, L. 1943; R.C.M. 1947, 82-1504.**

**Cross-References**

Delinquent taxes — application by delinquent — crop lien, 80-2-207.

**80-2-228. Reserve fund.** (1) Each year when the hail board makes its annual levy for the payment of current losses, expenses of administration, and for an addition to the reserve if conditions permit, it may not increase the levy enough in any year so that such addition to the reserve will exceed 5% of the maximum risk written for that year.

(2) The board may engage the services of a qualified actuary to conduct an actuarial valuation of the reserve. This valuation shall include the actuary's determination of the amount of reserve necessary to absorb all reasonably anticipated catastrophic losses. This amount shall be the maximum permissible reserve fund for the next year.

(3) The reserve shall be deposited in an expendable trust fund.

(4) The board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, exceeds the amount of the estimate made by the board for the current year pursuant to 80-2-221.

**History:** **En. Sec. 2, Ch. 34, L. 1919; re-en. Sec. 352, R.C.M. 1921; amd. Sec. 5, Ch. 40, L. 1923; amd. Sec. 1, Ch. 8, L. 1929; re-en. Sec. 352, R.C.M. 1935; amd. Sec. 3, Ch. 200, L. 1953; amd. Sec. 1, Ch. 20, L. 1957; amd. Sec. 73, Ch. 147, L. 1963; amd. Sec. 3, Ch. 154, L. 1975; amd. Sec. 3, Ch. 16, L. 1977; R.C.M. 1947, 82-1507(3) thru (6); amd. Sec. 40, Ch. 281, L. 1983; amd. Sec. 9, Ch. 691, L. 1983; amd. Sec. 34, Ch. 703, L. 1985; amd. Sec. 12, Ch. 628, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (3), at end, deleted "and is statutorily appropriated as provided in 17-7-502 to the board for the purpose of paying costs of administration, interest, and losses of the program"; and made minor change in phraseology. Amendment effective July 1, 1989.

**80-2-229. Withdrawal of crop in case of destruction through other means.** When any crop insured under this part shall have been destroyed by any other cause than hail, the applicant may, by furnishing the proof required by the board of hail insurance, cause the crop to be withdrawn from the regular levy of the board for the current year. Such proof shall be submitted to the board of hail insurance in accordance with its rules. Said rules shall be plainly printed on the applications and policies issued by the department. They shall provide that the cost for such withdrawn insurance shall be varied as nearly as practical according to the time the insurance is in force and according to the risk carried.

**History:** **En. Sec. 3, Ch. 34, L. 1919; amd. Sec. 3, Ch. 141, L. 1921; re-en. Sec. 353, R.C.M. 1921; amd. Sec. 2, Ch. 54, L. 1931; re-en. Sec. 353, R.C.M. 1935; R.C.M. 1947, 82-1508.**

**80-2-230. Collection of levies — release of lien.** (1) The county treasurer in each county in the state shall collect all levies made under this part in the same manner as other property taxes are collected and shall keep all moneys collected by him or for him for hail insurance in a separate fund to be known as the hail insurance fund and remit the same to the state treasurer in the same manner as provided by law for the remittance of other moneys due to the state. All county treasurers shall use due diligence in making the collections of the levies provided herein. Also the board may furnish assistance needed at any time in making collections or may take over the collection of any levy at any time, depositing any collections therefrom with the treasurer of the county where the levy therefor was made.

(2) All insurance levies, whether levied against land or in the form of special assessments secured by crop liens, shall be payable in full and not in semiannual payments on or before November 30 of each year in which such levies are made.

(3) Whenever the amount due on any hail insurance secured by a crop lien is paid, the treasurer shall promptly endorse on the lien on file in the office of the county clerk and recorder the amount paid thereon with the date of payment and such endorsement shall be a satisfaction and release of such lien.

**History: (1), (3)En. Sec, 3, Ch. 169, L. 1917; amd. Sec. 4, Ch. 34, L. 1919; re-en. Sec. 354, R.C.M. 1921; amd. Sec. 6, Ch. 40, L. 1923; re-en. Sec. 354, R.C.M. 1935; amd. Sec. 2, Ch. 37, L. 1943; Sec. 82-1509, R.C.M. 1947; (2)En. Sec. 2, Ch. 169, L. 1917; amd. Sec. 1, Ch. 34, L. 1919; amd. Sec. 2, Ch. 141, L. 1921; re-en. Sec. 351, R.C.M. 1921; amd. Sec. 4, Ch. 40, L. 1923; amd. Sec. 1, Ch. 54, L. 1931; re-en. Sec. 351, R.C.M. 1935; amd. Sec. 2, Ch. 33, L. 1949; amd. Sec. 2, Ch. 200, L. 1953; amd. Sec. 59, Ch. 391, L. 1973; amd. Sec. 2, Ch. 154, L. 1975; amd. Sec. 32, Ch. 13, L. 1977; Sec. 82-1506, R.C.M. 1947; R.C.M. 1947, 82-1506(part), 82-1509(part).**

**Cross-References**

Cash payment — discount, 80-2-206.

**80-2-231. Foreclosure of lien.** If the person receiving hail insurance secured by a crop lien fails to pay said insurance to the county treasurer by December 1 of the year in which the crop so insured is grown, the county treasurer shall on that day or as soon as possible thereafter deliver to the sheriff of said county a full, true, and correct copy of the lien on file in the office of the clerk and recorder and such sheriff must immediately demand from the person or persons signing such lien payment of the amount due thereon and, if the same is not paid to the sheriff upon such demand being made, the sheriff must forthwith seize and sell in the manner provided by law for the sale of personal property under execution a sufficient amount of grain belonging to such person to pay the amount due for hail insurance together with interest and costs and expenses of seizure and sale.

**History: En. Sec. 7, Ch. 40, L. 1923; re-en. Sec. 354.1, R.C.M. 1935; amd. Sec. 3, Ch. 33, L. 1949; R.C.M. 1947, 82-1510.**

**Cross-References**

Hail insurance — lien on crop, 71-3-711.

**80-2-232. State treasurer's duty — warrants — transfers to county and state general fund.** (1) The state treasurer shall receive all moneys paid to him under this part and shall place same to the credit of the expendable trust fund. All moneys collected by the board shall be deposited in the expendable trust fund, and all losses shall be paid from that fund. All other costs are administrative expenses and shall be paid from the board's expendable trust fund. If registered warrants be presented and there be no money to pay the same, such warrants shall be registered and thereafter bear interest at the rate of 4% per annum until called for payment by the state treasurer.

(2) Upon warrants drawn by order of the board, the state treasurer shall pay out of the board's expendable trust fund to the county treasurer of each

county where state hail insurance coverage is in force 2% of the gross annual levies made and collected in such county under this part for the use of the county as the board of county commissioners may determine.

(3) Upon authorization from the board of hail insurance, the state treasurer shall transfer out of the board's expendable trust fund to the general fund of the state of Montana 1.5% of the gross annual levies made and collected in the state of Montana.

**History:** En. Sec. 4, Ch. 169, L. 1917; amd. Sec. 1, Ch. 183, L. 1921; re-en. Sec. 355, R.C.M. 1921; amd. Sec. 8, Ch. 40, L. 1923; re-en. Sec. 355, R.C.M. 1935; amd. Sec. 1, Ch. 189, L. 1961; amd. Sec. 75, Ch. 147, L. 1963; R.C.M. 1947, 82-1511; amd. Sec. 41, Ch. 281, L. 1983; amd. Sec. 10, Ch. 691, L. 1983.

### 80-2-233 through 80-2-240 reserved.

**80-2-241. Report of losses.** All losses by hail to crops insured under this part shall be reported within 14 days thereafter by the owner of such crops, his agent or attorney, to the board of hail insurance, which shall require the claimant to make a statement of the losses sustained, the cause thereof, and such other information as the board may require on the forms to be provided for such purpose. If a loss is reported more than 14 days after it occurs, the board shall charge the claimant for all costs incurred in making the adjustment.

**History:** En. Sec. 7, Ch. 169, L. 1917; re-en. Sec. 358, R.C.M. 1921; amd. Sec. 9, Ch. 40, L. 1923; re-en. Sec. 358, R.C.M. 1935; R.C.M. 1947, 82-1514; amd. Sec. 11, Ch. 691, L. 1983.

**80-2-242. Appraisers — appointment — qualifications — duties.** (1) The department of agriculture shall as soon as practicable each year retain a sufficient number of appraisers to appraise all losses by hail incurred under this part in the various counties. The persons so appointed shall be actively engaged in farming or shall have had practical experience in farming.

(2) The board may call on one or more of the duly appointed appraisers for the adjustment of each and every loss, and the said appraisers shall promptly report their findings to the board according to the rules provided by the board.

(3) No appraiser who shall be a relative, attorney, agent, employee, or creditor or in any manner interested by lien, mortgage, or otherwise in the crop injured or destroyed shall assist in adjusting any such loss.

(4) The board may send any duly appointed appraiser or appraisers into any county as the occasion may require.

**History:** En. Sec. 8, Ch. 169, L. 1917; amd. Sec. 5, Ch. 34, L. 1919; amd. Sec. 4, Ch. 141, L. 1921; re-en. Sec. 359, R.C.M. 1921; re-en. Sec. 359, R.C.M. 1935; amd. Sec. 1, Ch. 79, L. 1973; R.C.M. 1947, 82-1515; amd. Sec. 12, Ch. 691, L. 1983.

**80-2-243. Disputed appraisal.** (1) In case the party that has sustained the loss is dissatisfied with and refuses to accept the adjustment made by the official appraiser, then he shall have the right to appeal to the board of hail insurance. He shall make such appeal by registered or certified mail within 10 days after receiving the adjustment offer of the board in writing. Also the board may require the posting of a cash bond of $25 with the request for reappraisal of the first adjustment. In cases where the board requires the posting of the $25 bond, the board may retain it if no increase is allowed. If an increase is obtained, the board will return the bond to the claimant.

(2) In case the adjuster who makes the second appraisal fails to secure an agreement, the claimant may at his option submit the matter to arbitration as herein provided or sue the board in the district court of the county where the loss occurred, within 90 days from the date of receipt of written notice of the second appraisal. Such actions shall be trials de novo and the Montana Rules of Civil Procedure shall apply. Where any claimant demands arbitration, he shall, if required by the board, furnish a cash bond to the board in the sum of $50 which shall accompany his application. If there is not sufficient allowance made to any claimant after arbitration to cover the cost of arbitration without the use of the $50 bond, then the board may use a part or all of said cash bond. In cases where the claimant secures an increase, the bond shall be promptly returned to the claimant. If the claimant elects to submit the matter to arbitration, he shall then appoint one disinterested person as appraiser and the official appraiser shall appoint another person as appraiser and the two shall select a third disinterested person and the three shall then proceed to adjust the loss in the same manner as specified in 80-2-242. The judgment of the majority shall be the judgment of said appraisers and shall be binding upon both parties as the final determination of said loss.

(3) (a) If the insured does not recover a greater sum than allowed by the official appraiser in the first instance, he shall pay the expenses of the three appraisers and their witnesses in making said adjustment, but if he is awarded a larger sum, then the same shall be paid by the board.

(b) If the insured shall be required to pay the expenses of such reappraisement as above provided, the board is hereby authorized to deduct the amount of such expenses from the amount allowed said insured before making settlement for said loss.

(4) The board shall examine all reports of appraisers and verify the same and adjust all losses and for such purposes may order hearings, subpoena witnesses, conduct examinations, and do all things necessary to secure a fair and impartial appraisement of losses by hail.

**History: En. Sec. 9, Ch. 169, L. 1917; amd. Sec. 6, Ch. 34, L. 1919; re-en. Sec. 360, R.C.M. 1921; amd. Sec. 10, Ch. 40, L. 1923; re-en. Sec. 360, R.C.M. 1935; amd. Sec. 4, Ch. 33, L. 1949; amd. Sec. 1, Ch. 69, L. 1963; amd. Sec. 76, Ch. 147, L. 1963; amd. Sec. 1, Ch. 170, L. 1967; R.C.M. 1947, 82-1516; amd. Sec. 13, Ch. 691, L. 1983.**

**80-2-244. Payment of losses.** (1) The board of hail insurance shall, as soon as practicable after the loss has been sustained, arrange for the payment of the loss in the following manner. From the amount of the loss as adjusted for each claimant, the board shall deduct the amount the claimant then owes as delinquent hail insurance tax and the maximum amount assessed as hail insurance tax for the current year.

(2) The board shall on or before November 1 order payment for the amount so deducted, which payment shall be remitted to the county treasurer of the county in which the tax was assessed. The board shall then order payment for the balance of the adjustment to be sent to the claimant, provided that in no case may the payment for loss exceed $24 per acre for grain crops on nonirrigated lands, $48 per acre on irrigated lands. No claimant may receive payment for any loss incurred where the loss does not equal or exceed 5% of the total value of the crop insured. If the losses in any year exceed the

current levy plus the reserve, if any, then the payment of all losses shall be prorated, share and share alike, among all grain growers having loss claims adjusted and approved, and the unpaid balance of the losses shall be paid out of the reserve without interest in such order as the board directs, when in the judgment of the board there are sufficient moneys to provide for the payment of the same and other items payable out of the reserve. In any year the board may by resolution authorize its chairman and secretary to borrow as needed from any person, bank, or corporation such sum or sums of money as the board may consider necessary for the purpose of paying all warrants as issued.

(3) For any moneys borrowed under the provisions of this part, the board shall cause warrants to be drawn. The warrants shall bear interest at not to exceed 6% a year, and the warrants and the interest thereon shall be paid out of funds from the state hail insurance program as they are collected from the various counties in the state. The board may not at any time borrow a total sum greater than the amount of levies as made for taxes for the current year together with such delinquent taxes as remain unpaid on the books of the county treasurer.

**History: En. Sec. 10, Ch. 169, L. 1917; amd. Sec. 7, Ch. 34, L. 1919; amd. Sec. 5, Ch. 141, L. 1921; re-en. Sec. 361, R.C.M. 1921; amd. Sec. 11, Ch. 40, L. 1923; amd. Sec. 2, Ch. 8, L. 1929; re-en. Sec. 361, R.C.M. 1935; amd. Sec. 5, Ch. 33, L. 1949; amd. Sec. 4, Ch. 200, L. 1953; amd. Sec. 77, Ch. 147, L. 1963; amd. Sec. 4, Ch. 154, L. 1975; amd. Sec. 33, Ch. 13, L. 1977; R.C.M. 1947, 82-1517; amd. Sec. 14, Ch. 691, L. 1983.**

**Cross-References**

Effect of delinquent taxes, 80-2-207.

Disposition of hail insurance funds, 80-2-222.

**80-2-245. Benefits exempt from execution.** All money or benefits received from hail insurance are exempt from execution, are not liable to attachment, and may not be seized, taken, or appropriated by any local process to pay any debt or liability of the insured unless the amount is assigned and then for no more than the amount of the claim intended to be secured by the assignment, with lawful interest.

**History: En. Sec. 13, Ch. 40, L. 1923; re-en. Sec. 363.1, R.C.M. 1935; R.C.M. 1947, 82-1520; amd. Sec. 2, Ch. 20, L. 1979.**

**Cross-References**

Exempt property — bankruptcy proceeding, 31-2-106.

# CHAPTER 3

## HORTICULTURE
## STANDARDS, STORAGE, AND MERCHANDISING

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**(Repealed. Sec. 75, Ch. 539, L. 1983.**
**See Title 80, ch. 4, parts 4 through 7.)**

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80-3-605. Investigation of applicant — hearings — grant or denial of license.
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80-3-609. Effect of appeal to district court.
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80-3-701. Definitions.
80-3-702. Exemptions — affidavit.
80-3-703. License required.
80-3-704. Application for license — fee.
80-3-705. Surety bond.
80-3-706. License — issuance, form, and display.
80-3-707. License nontransferable.
80-3-708. Revocation of license.
80-3-709. Administrative rules.
80-3-710. Offending vehicle to be kept in custody.
80-3-711. Disposition of license fees.
80-3-712. Construction.
80-3-713. Penalty.

**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Public markets, Title 7, ch. 21, part 33.

City to weigh and inspect grain and hay, 7-21-4203.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

U.C.C. — warehouse receipts and other shipping documents, Title 30, ch. 7.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Weight and measure of berries and small fruits, 30-12-408.

Cooperative agricultural associations, Title 35, ch. 16.

Cooperative agricultural marketing, Title 35, ch. 17.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, part 1; 50-31-202.

Sale of agricultural goods by state institutions, Title 53, ch. 1, part 3.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Free fare for caretaker of vegetables and fruit shipped by railroad, 69-11-208.

Transportation of agricultural products by farmers and ranchers exempt from motor carrier law, 69-12-102.

Grain and commodity storage and transportation, Title 69, ch. 14, part 9.

Suitable railroad cars to be furnished for grain or other bulk commodity shipments, 69-14-921.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

Agricultural loans — loan guaranty program — fund, 80-12-215, 80-12-216.

Marketing — export assistance, Title 90, ch. 9, part 4.

## Part 1

## Standard Grades and Brands

**80-3-101. Definitions.** (1) Unless the context requires otherwise, in this part the following definitions apply:

(a) "Container" or "package" means cloth or fiber sack, barrel, box, crate, carton, hamper, or basket customarily used for the shipment of Montana farm products and other farm products.

(b) "Montana farm products" means all products of the farm grown commercially in Montana or elsewhere and intended for table use such as potatoes, cherries, and dry beans.

(c) "Other farm products" means all farm products which are not normally grown commercially in Montana such as grapefruit and oranges.

(d) "Person" as used herein shall mean any grower, dealer, shipper, society, association, organization, corporation, or their agents or representatives.

(2) The terms defined in subsections (1)(b) and (1)(c) do not include livestock and its byproducts, poultry and its products, apiary products, dairy products, grain, or apples.

**History:** **En. Sec. 2, Ch. 165, L. 1933; re-en. Sec. 3633.2, R.C.M. 1935; amd. Sec. 2, Ch. 79, L. 1969; amd. Sec. 74, Ch. 218, L. 1974; R.C.M. 1947, 3-1402.**

**Cross-References**

U.C.C. — classification of goods — "farm products", 30-9-109.

**80-3-102. Purpose.** The intent and purpose of this part is to regulate the sale of Montana farm products and other farm products for table use intended for interstate or intrastate commerce when such is made by the grower, dealer, distributor, or any other person either by wholesale or retail or in any other manner; provided, however, that the provisions of this part shall not apply to the grower in the sale of the Montana farm products and other farm products grown by himself or to small retail packages.

**History:** **En. Sec. 9, Ch. 165, L. 1933; re-en. Sec. 3633.9, R.C.M. 1935; amd. Sec. 8, Ch. 79, L. 1969; R.C.M. 1947, 3-1409.**

**80-3-103. Standard grades for farm products.** The standard grades for Montana farm products and other farm products shall be limited to the United States grades covering the same products and shall conform in all respects and be identical with the latest standards established by the United States secretary of agriculture for the various commodities and, thus conforming, shall be accepted as the legal standards for the state of Montana. The United States commercial grade is a standard grade in this state.

**History:** **Ap. p. Sec. 1, Ch. 165, L. 1933; re-en. Sec. 3633.1, R.C.M. 1935; amd. Sec. 1, Ch. 79, L. 1969; Sec. 3-1401, R.C.M. 1947; Ap. p. Sec. 4, Ch. 165, L. 1933; re-en. Sec. 3633.4, R.C.M. 1935; amd. Sec. 1, Ch. 71, L. 1937; amd. Sec. 1, Ch. 30, L. 1963; amd. Sec. 4, Ch. 79, L. 1969; amd. Sec. 76, Ch. 218, L. 1974; Sec. 3-1404, R.C.M. 1947; R.C.M. 1947, 3-1401, 3-1404(6).**

**80-3-104. Department to establish standard grades — notice required.** (1) The department of agriculture shall establish United States standard grades on potatoes, dry beans, and cherries and shall, as soon as any Montana farm product or other farm product reaches a volume rendering it of market importance, establish United States grades on that product.

(2) The grades become effective 30 days after publication in the Montana administrative register. The department shall publish notice of the establishment of the standards two times in at least three papers of general circulation within the state.

**History:** **En. Sec. 3, Ch. 165, L. 1933; re-en. Sec. 3633.3, R.C.M. 1935; amd. Sec. 3, Ch. 79, L. 1969; amd. Sec. 75, Ch. 218, L. 1974; R.C.M. 1947, 3-1403.**

**80-3-105. Grading and branding of products required — labeling of culls.** (1) A person may not pack for sale, expose for sale, sell, transport, deliver, consign, or possess for sale, transport, delivery, or consignment in interstate or intrastate commerce Montana farm products and other farm products prepared for market which are not graded and branded to meet the requirement of the grade declared. The grade declared shall conform to the provisions of this part.

(2) Other farm products, which includes products arriving or found in Montana in containers not graded and branded, must meet the requirements of United States No. 1 grade or better. Those products which do not grade United States No. 1 or better must be labeled or tagged with proper grade according to Montana inspection.

(3) Montana farm products and other farm products not conforming to established grades may be sold if labeled, tagged, or branded in the same manner as graded products, except that in place of specifying the grade, the word "culls" or "unclassified" shall be used. All products branded "unclassified" must contain at least 50% of products which would grade United States No. 2 or better.

(4) Montana farm products and other farm products for seed purposes may be sold when graded under rules approved by the department of agriculture and plainly labeled, tagged, or branded "for seed purposes".

(5) Oranges labeled "choice" shall meet the requirements of the United States No. 2 grade or better for oranges.

**History: En. Sec. 4, Ch. 165, L. 1933; re-en. Sec. 3633.4, R.C.M. 1935; amd. Sec. 1, Ch. 71, L. 1937; amd. Sec. 1, Ch. 30, L. 1963; amd. Sec. 4, Ch. 79, L. 1969; amd. Sec. 76, Ch. 218, L. 1974; R.C.M. 1947, 3-1404(1) thru (5), (7).**

**Cross-References**

U.C.C. — exclusion of warranties as to disease-free livestock, 30-2-316.

**80-3-106. Unlawful to sell or transport products unless labeled, tagged, or branded — use of tags.** (1) It is unlawful for any person, firm, association, organization, or corporation or agent, representative, or assistant to any person, firm, association, organization, or corporation to expose for sale or sell, transport, deliver, consign, or have in possession Montana farm products and other farm products prepared for market unless each container has been legibly and conspicuously tagged, branded, labeled, or stenciled before being moved from the premises of the person responsible for the grading and packing, to indicate the name of the grade, when applicable, together with the true net contents expressed in weight.

(2) When tags are used, United States No. 1 grade shall be declared on a white tag and United States No. 2 grade shall be declared on a red tag. Bulk shipments shall be accompanied by two cards not less than 4 x 6 inches in size placed on the inside of the car near each door. Likewise cards in size herein described shall be prominently placed on all bulk shipments made by truck or other conveyance. Upon each card shall appear the name and address of the consignor, the name of the grade, if applicable, the name of the loading station, the date of loading, and the name and address of the consignee, if known. It shall be conclusive evidence that the farm products are considered for sale when the containers are packed for delivery or transit, are exposed for sale, are in process of delivery or transit, or are located at a depot, station,

boat dock, or any place where farm products or other products are held for storage or for immediate or future sale or transit.

**History: En. Sec. 5, Ch. 165, L. 1933; re-en. Sec. 3633.5, R.C.M. 1935; amd. Sec. 5, Ch. 79, L. 1969; amd. Sec. 16, Ch. 13, L. 1977; R.C.M. 1947, 3-1405.**

**Cross-References**

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

**80-3-107. Grade of agricultural products to be stated in advertisements.** All advertised prices on agricultural products on which grades have been established by law in this state, whether in newspapers, circulars, bills, placards, signs, or in any other manner, shall in addition to the price quoted show the true grade of the product as provided by law. Price tags exhibited in a place of business upon exposed products shall not be considered advertising under the provisions of this part.

**History: En. Sec. 1, Ch. 46, L. 1935; re-en. Sec. 3633.11, R.C.M. 1935; R.C.M. 1947, 3-1411.**

**80-3-108. Inspection of condition of products in storage or transit.** Montana farm products and other farm products held in storage or in transit which at the time of inspection show deterioration or decay but otherwise conform to the grade shall be inspected as to condition and not as to grade.

**History: En. Sec. 6, Ch. 165, L. 1933; re-en. Sec. 3633.6, R.C.M. 1935; amd. Sec. 6, Ch. 79, L. 1969; amd. Sec. 17, Ch. 13, L. 1977; R.C.M. 1947, 3-1406.**

**80-3-109. Entry and inspection by department.** The department may enter upon premises where Montana farm products and other farm products are graded, packed, or stored to inspect them as to grade, pack, and condition.

**History: En. Sec. 7, Ch. 165, L. 1933; re-en. Sec. 3633.7, R.C.M. 1935; amd. Sec. 7, Ch. 79, L. 1969; amd. Sec. 77, Ch. 218, L. 1974; R.C.M. 1947, 3-1407.**

**80-3-110. Rules for enforcement — fees.** The department may adopt rules necessary for the enforcement of this part. The department may adopt rules to establish fees for inspection under this part.

**History: En. Sec. 8, Ch. 165, L. 1933; re-en. Sec. 3633.8, R.C.M. 1935; amd. Sec. 78, Ch. 218, L. 1974; amd. Sec. 3, Ch. 155, L. 1975; R.C.M. 1947, 3-1408; amd. Sec. 187, Ch. 575, L. 1981.**

**80-3-111. Violations — penalties.** (1) A person who violates this part by not grading Montana farm products and other farm products or by not tagging or branding containers or by removing or altering any tag or brand placed upon or attached to any container, unless ordered to do so by the department, is guilty of a misdemeanor. He shall be fined not less than $10 or more than $100 or imprisoned in the county jail not less than 30 days or more than 3 months or both fined and imprisoned.

(2) Any person, firm, or corporation failing to comply with 80-3-107 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $10 or more than $25.

**History:** **(1)En. Sec. 10, Ch. 165, L. 1933; re-en. Sec. 3633.10, R.C.M. 1935; amd. Sec. 9, Ch. 79, L. 1969; amd. Sec. 79, Ch. 218, L. 1974; Sec. 3-1410, R.C.M. 1947; (2)En. Sec. 2, Ch. 46, L. 1935; re-en. Sec. 3633.12, R.C.M. 1935; Sec. 3-1412, R.C.M. 1947; R.C.M. 1947, 3-1410, 3-1412.**

## Part 2

## Apples — Inspection, Grading, and Packing

**80-3-201. Inspection of apples packed for sale.** (1) The department shall inspect all apples packed for sale or shipment under this part.

(2) The department may:

(a) certify to the grade and pack of apples packed for sale or shipped under this part and charge the owner, packer, or shipper a fee fixed by the department for these services, as provided in 80-3-211;

(b) adopt rules regarding inspection and certification of apples under this part.

**History:** **En. Sec. 55, Ch. 216, L. 1921; re-en. Sec. 3630, R.C.M. 1921; re-en. Sec. 3630, R.C.M. 1935; Sec. 3-1305, R.C.M. 1947; amd. and redes. 3-3401 by Sec. 70, Ch. 218, L. 1974; R.C.M. 1947, 3-3401; amd. Sec. 3, Ch. 25, L. 1987.**

**80-3-202. Grades of apples.** (1) The standard grades of apples for the state of Montana shall be:

(a) "extra fancy or first grade", which shall consist of apples of one variety which are mature, handpicked, clean, well formed, sound, free from bruises, limb rubs, spray burns, sunburn, russeting, drought spot, hail marks, visible water core, broken skin, apple scab, stings, and from diseases and insect injury, except that slight blemishes shall be permitted in this grade;

(b) "fancy or second grade", which shall consist of apples of one variety which are mature, handpicked, clean, fairly well formed, sound, free from visible water core, broken skin, and from damage caused by bruises, limb rub, spray burns, sunburn, russeting, drought spot, hail marks, apple scabs, diseases and insect injury;

(c) "C grade", which shall consist of apples of one variety which are mature, handpicked, clean, not badly misshapen, sound, free from broken skin and from serious damage caused by bruises, limb rub, russeting, drought spot, hail marks, apple scab, diseases, and insect injury and must have 15% of color requirements characteristic of the variety. The word "choice" must not be used in connection with this grade.

(d) "cull grade", which shall consist of apples free from infection or disease or serious damage but which do not meet the requirements of "extra fancy or first grade", "fancy or second grade", or "C grade". Such apples shall be marked "culls" in block letters not less than 1 inch in height on both ends of the box.

(e) "combination grade". When "extra fancy or first grade" and "fancy or second grade" apples are packed together, the boxes must be marked "combination extra fancy or first grade and fancy or second grade". This combination grade must contain at least 25% of apples which belong to the higher grade in the combination.

(f) "hail grade", which shall meet all requirements of "extra fancy" and "fancy grade" except for hail marks. Such hail marks must not materially deform or disfigure the fruit or affect more than one-tenth of the surface in the aggregate where skin has not been broken. Unhealed hail marks shall not be permitted and not more than an aggregate area of one-half inch shall be allowed for well-healed hail marks where the skin has been broken.

(g) "orchard-run grade", which shall consist of apples of one variety, which are mature, handpicked, clean, sound, free from infection or disease or serious damage, and must have 15% color requirements characteristic of the variety and shall be marked "orchard-run grade" in block letters not less than 1 inch in height on both ends of the box.

(2) No apples smaller than 2 ¼ inches in diameter shall be permitted in any grade. Small apples which are under size requirements as prescribed may be shipped if marked "small" in block letters not less than 1 inch in height on both ends of the box, provided such apples are free from insect pests and diseases.

(3) In order to provide for variations incident to commercial grading and handling, a tolerance of 10% for a total of all defects from the standard of the grade shall be allowed.

**History: En. Sec. 1, Ch. 138, L. 1931; amd. Sec. 1, Ch. 1, L. 1933; amd. Sec. 1, Ch. 39, L. 1935; re-en. Sec. 4265.1, R.C.M. 1935; amd. Sec. 1, Ch. 89, L. 1939; amd. Sec. 1, Ch. 43, L. 1951; amd. Sec. 1, Ch. 127, L. 1971; Sec. 90-201, R.C.M. 1947; amd. and redes. 3-3402 by Sec. 172, Ch. 218, L. 1974; amd. Sec. 26, Ch. 13, L. 1977; R.C.M. 1947, 3-3402.**

**80-3-203. Marking of apple containers.** Any box, barrel, crate, or carton used in packing apples for sale shall be marked or branded in plain, legible letters on one end with:

(1) the name of grower, person, or firm responsible for pack and the locality where grown or packed;

(2) the name of the variety;

(3) the grade contained therein, which must comply with the provisions of this part;

(4) the approximate number of apples contained therein or the net weight of contents.

**History: En. Sec. 2, Ch. 138, L. 1931; re-en. Sec. 4265.2, R.C.M. 1935; Sec. 90-202, R.C.M. 1947; redes. 3-3403 by Sec. 172, Ch. 218, L. 1974; R.C.M. 1947, 3-3403.**

**80-3-204. Designation of grade of bulk apples.** Apples shipped or sold in bulk shall have two cards at least 10 by 12 inches in size attached to the doors of the car or on each side of the truck in which they are moved. The cards shall designate grade of the apples contained in the car or truck as specified in 80-3-202 and shall be in legible printed letters at least 2 inches in height.

**History: En. Sec. 3, Ch. 138, L. 1931; amd. Sec. 2, Ch. 39, L. 1935; re-en. Sec. 4265.3, R.C.M. 1935; Sec. 90-203, R.C.M. 1947; amd. and redes. 3-3404 by Sec. 171, Ch. 218, L. 1974; R.C.M. 1947, 3-3404.**

**80-3-205. Standard size of apple box.** There is hereby created and established a standard size for apple boxes for the state of Montana. The standard size of an apple box shall be of the following dimensions when measured without distention of its parts: depth of end, 10 ½ inches; width of end, 11 ½ inches; length of box, 18 inches inside measurements; and representing as nearly as possible 2,173 ½ cubic inches.

**History:** **En. Sec. 4, Ch. 138, L. 1931; re-en. Sec. 4265.4, R.C.M. 1935; Sec. 90-204, R.C.M. 1947; redes. 3-3405 by Sec. 172, Ch. 218, L. 1974; R.C.M. 1947, 3-3405.**

**80-3-206. Short boxes to be marked.** Any box in which apples shall be packed and offered for sale that contains less than the required number of cubic inches, as prescribed in 80-3-205, shall be plainly marked on one side and one end with the words "short box", or with the words or figures showing the practical relation which the actual capacity of the box bears to the capacity required by 80-3-205. The marking required by this paragraph shall be in block letters of not less than one-half inch in size.

**History:** **En. Sec. 5, Ch. 138, L. 1931; re-en. Sec. 4265.5, R.C.M. 1935; Sec. 90-205, R.C.M. 1947; redes. 3-3406 by Sec. 172, Ch. 218, L. 1974; R.C.M. 1947, 3-3406.**

**80-3-207. Penalty for violation.** No person, firm, company, or corporation shall sell or offer for sale or shipment within or without the state of Montana apples branded or packed in containers in violation of the provisions of this part. Any person, firm, company, or corporation who shall knowingly sell apples or offer apples for sale or shipment within or without the state of Montana in violation of the provisions of this part shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not less than $10 or more than $50.

**History:** **En. Sec. 6, Ch. 138, L. 1931; amd. Sec. 3, Ch. 39, L. 1935; re-en. Sec. 4265.6, R.C.M. 1935; Sec. 90-206, R.C.M. 1947; redes. 3-3407 by Sec. 172, Ch. 218, L. 1974; R.C.M. 1947, 3-3407.**

**80-3-208 through 80-3-210 reserved.**

**80-3-211. Fees to be established by rule.** The department shall by rule set fees for services performed under this part. Such fees must be designed to reimburse the department for the costs of inspecting and certifying apples as authorized under 80-3-201.

**History:** **En. Sec. 1, Ch. 25, L. 1987.**

**80-3-212. Apple inspection account.** (1) There is an account in the state special revenue fund in the state treasury known as the apple inspection account.

(2) The department shall pay into the apple inspection account all fees provided for in 80-3-211.

(3) The money in the apple inspection account is allocated to the department to pay the costs of providing services under this part.

**History:** **En. Sec. 2, Ch. 25, L. 1987; amd. Sec. 1, Ch. 39, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Substituted (1) establishing apple inspection account for former language that read: "There is an enterprise fund in the state treasury known as the apple inspection fund"; and in (2) and (3) substituted "account" for "fund". Amendment effective February 24, 1989.

*Retroactive Applicability:* Section 3, Ch. 39, L. 1989, provided: "[This act] applies retroactively, within the meaning of 1-2-109, to occurrences after July 1, 1987."

## Parts 3 and 4 reserved

## Part 5

## Bean Storage
## (Repealed. Sec. 75, Ch. 539, L. 1983. See Title 80, ch. 4, parts 4 through 7.)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**80-3-501.** En. Sec. 2, Ch. 164, L. 1935; re-en. Sec. 3592.55, R.C.M. 1935; amd. Sec. 32, Ch. 218, L. 1974; R.C.M. 1947, 3-702; amd. Sec. 3, Ch. 20, L. 1979.

**80-3-502.** En. Sec. 3, Ch. 164, L. 1935; re-en. Sec. 3592.56, R.C.M. 1935; R.C.M. 1947, 3-703.

**80-3-503.** En. Sec. 4, Ch. 164, L. 1935; re-en. Sec. 3592.57, R.C.M. 1935; amd. Sec. 32, Ch. 147, L. 1963; amd. Sec. 33, Ch. 218, L. 1974; R.C.M. 1947, 3-704; amd. Sec. 1, Ch. 300, L. 1979.

**80-3-504.** En. Sec. 5, Ch. 164, L. 1935; re-en. Sec. 3592.58, R.C.M. 1935; amd. Sec. 34, Ch. 218, L. 1974; R.C.M. 1947, 3-705.

**80-3-505.** En. Sec. 6, Ch. 164, L. 1935; re-en. Sec. 3592.59, R.C.M. 1935; amd. Sec. 35, Ch. 218, L. 1974; R.C.M. 1947, 3-706.

**80-3-506.** En. Sec. 7, Ch. 164, L. 1935; re-en. Sec. 3592.60, R.C.M. 1935; R.C.M. 1947, 3-707.

**80-3-507.** En. Sec. 8, Ch. 164, L. 1935; re-en. Sec. 3592.61, R.C.M. 1935; amd. Sec. 36, Ch. 218, L. 1974; R.C.M. 1947, 3-708.

**80-3-508.** En. Secs. 9, 13, Ch. 164, L. 1935; re-en. Secs. 3592.62, 3592.66, R.C.M. 1935; amd. Secs. 37, 40, Ch. 218, L. 1974; R.C.M. 1947, 3-709, 3-713; amd. Sec. 4, Ch. 20, L. 1979.

**80-3-509.** En. Sec. 10, Ch. 164, L. 1935; re-en. Sec. 3592.63, R.C.M. 1935; amd. Sec. 38, Ch. 218, L. 1974; amd. Sec. 8, Ch. 13, L. 1977; R.C.M. 1947, 3-710.

**80-3-510.** En. Sec. 11, Ch. 164, L. 1935; re-en. Sec. 3592.64, R.C.M. 1935; R.C.M. 1947, 3-711.

**80-3-511.** En. Sec. 12, Ch. 164, L. 1935; re-en. Sec. 3592.65, R.C.M. 1935; amd. Sec. 39, Ch. 218, L. 1974; amd. Sec. 9, Ch. 13, L. 1977; R.C.M. 1947, 3-712.

**80-3-512.** En. Sec. 14, Ch. 164, L. 1935; re-en. Sec. 3592.67, R.C.M. 1935; amd. Sec. 41, Ch. 218, L. 1974; R.C.M. 1947, 3-714.

**80-3-513.** En. Sec. 15, Ch. 164, L. 1935; re-en. Sec. 3592.68, R.C.M. 1935; R.C.M. 1947, 3-715; amd. Sec. 5, Ch. 20, L. 1979.

## Part 6

## Produce Wholesalers

**80-3-601. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Dealer at wholesale" means a person who buys to sell at wholesale or contracts to buy to sell at wholesale or who handles at wholesale on account of or as agent for another.

(2) "Person" means an individual, group of persons, exchange, firm, partnership, corporation, or association.

(3) "Produce" means the natural products of the farm and includes but is not limited to natural products of the orchard, vineyard, garden, and apiary, raw and manufactured (except grains, dairy products, livestock, poultry, and poultry products), when handled for the purpose of resale. The term "produce" does not include seed potatoes.

**History: En. Sec. 3, Ch. 164, L. 1933; re-en. Sec. 2443.3, R.C.M. 1935; Sec. 84-3403, R.C.M. 1947; amd. and redes. 3-3301 by Sec. 160, Ch. 218, L. 1974; R.C.M. 1947, 3-3301; amd. Sec. 1, Ch. 406, L. 1981.**

**80-3-602. Produce wholesaler's license — exemptions.** A person may not engage in or purport to be engaged in the business of a dealer at wholesale unless he is licensed by the department of agriculture. This part does not apply to a farmer or gardener selling his own products and who shall when called upon to do so by the department furnish a sworn statement that the goods handled by him were actually grown by him. Employees of the department may for the purpose of this section administer the oath. Also, this part does not apply to a trucker operating for hire under a license issued by the public service commission and not buying or selling produce to a dealer at retail or to a consumer or group of consumers cooperatively obtaining produce for their own use only and not for resale.

**History:** En. Sec. 2, Ch. 164, L. 1933; amd. Sec. 1, Ch. 173, L. 1935; re-en. Sec. 2443.2, R.C.M. 1935; Sec. 84-3402, R.C.M. 1947; amd. and redes. 3-3302 by Sec. 159, Ch. 218, L. 1974; R.C.M. 1947, 3-3302.

**80-3-603. Application for license — bond — expiration date.** (1) Licenses to engage in the business of a dealer at wholesale in this state shall be issued by the department to reputable persons who apply for a license and pay the prescribed fee.

(2) The application shall be in writing, accompanied by the prescribed fee, and under oath. It shall state:

(a) the place where the applicant intends to carry on the business for which the license is desired;

(b) the estimated amount of business to be done monthly;

(c) the full names of the persons constituting the firm, if the applicant is a partnership;

(d) the names of the officers and the place of incorporation, if the applicant is a corporation; and

(e) a financial statement showing in a general way the value and character of the assets and the amount of liabilities of the applicant.

(3) Before issuing a license, the department shall require the applicant to file with it a bond or its equivalent, as established by the department by rule, to the state in an amount to be fixed by the department based on the monthly business to be transacted by the applicant. The bond or its equivalent may not be for less than $1,000. The department may require, under penalty of revoking the license, additional bond or its equivalent if the business transacted warrants an increase. The bond or its equivalent shall cover all wholesale produce business transacted in this state. The bond shall be executed by the applicant as principal and a surety company authorized to do business in the state as surety. The form of the bond or its equivalent shall be fixed by the department, conditioned upon:

(a) faithful performance of his duties as a dealer at wholesale;

(b) observance of all laws relating to the business of a dealer at wholesale;

(c) payment, when due, of the purchase price of produce purchased by him;

(d) the prompt reporting of sales as required by law to all persons consigning produce to the dealer as licensee for sale on commission; and

(e) the prompt payment to persons entitled to the proceeds of the sales less lawful charges, disbursements, and commissions.

(4) All licenses expire December 31 of each year. The license or a certified copy of the license shall be kept posted in the office of the licensee at each place in this state where he transacts business. The fee for each license is

$200 and for each certified copy of a license, $10. If a truck is the place of business, the license fee for the first truck is $200 and for each additional truck, $75.

(5) A separate license is required for each place of business. Each truck used for assembling and distributing produce, other than from a permanently established place of business through which all business of sales and accounts is handled, is a separate place of business and must be licensed.

**History: En. Sec. 4, Ch. 164, L. 1933; amd. Sec. 2, Ch. 173, L. 1935; re-en. Sec. 2443.4, R.C.M. 1935; Sec. 84-3404, R.C.M. 1947; amd. and redes. 3-3303 by Sec. 161, Ch. 218, L. 1974; amd. Sec. 24, Ch. 13, L. 1977; R.C.M. 1947, 3-3303(1) thru (4), (6); amd. Sec. 1, Ch. 257, L. 1987; amd. Sec. 1, Ch. 620, L. 1987.**

**80-3-604. Schedule of commissions and charges to be filed.** The applicant shall file with the department a schedule of his commissions and charges for services in connection with produce handling on account of or as agent for another.

**History: En. Sec. 4, Ch. 164, L. 1933; amd. Sec. 2, Ch. 173, L. 1935; re-en. Sec. 2443.4, R.C.M. 1935; Sec. 84-3404, R.C.M. 1947; amd. and redes. 3-3303 by Sec. 161, Ch. 218, L. 1974; amd. Sec. 24, Ch. 13, L. 1977; R.C.M. 1947, 3-3303(5).**

**80-3-605. Investigation of applicant — hearings — grant or denial of license.** The department shall examine each application and investigate the applicant and his business, business rating, character, and reputation. If from the examination and investigation the department determines that the applicant is in the matter of his business, business rating, character, and reputation not properly qualified to engage in business as a dealer, it shall refuse to grant a license and shall deny the application and notify the applicant in writing of its decision. An applicant whose application is denied by the department may, within 10 days after the mailing of notice of rejection, petition the department for a hearing. The department shall afford the applicant an opportunity for a hearing on a date not less than 10 or more than 20 days after the receipt of the petition. A person who has objected to the licensing of the applicant shall be given at least 10 days' notice of the hearing by mail. After the hearing, the department shall grant or deny the application.

**History: En. Sec. 5, Ch. 164, L. 1933; re-en. Sec. 2443.5, R.C.M. 1935; Sec. 84-3405, R.C.M. 1947; amd. and redes. 3-3304 by Sec. 162, Ch. 218, L. 1974; R.C.M. 1947, 3-3304.**

**80-3-606. Records to be kept — contents.** (1) Every dealer in produce shall keep a complete record of all produce handled by him. The record shall include:

(a) the name and address of the producer or shipper;
(b) the date of receipt of each consignment;
(c) the kind and quantity of produce received;
(d) the agreed purchase price or commission charged;
(e) date of sale;
(f) price at which sold;
(g) the name of the person, firm, or corporation to whom sold;
(h) an itemized statement of charges to be paid by the producer in connection with the sale.

(2) The record shall be open for confidential inspection by the department.

**History: En. Sec. 6, Ch. 164, L. 1933; re-en. Sec. 2443.6, R.C.M. 1935; Sec. 84-3406, R.C.M. 1947; amd. and redes. 3-3305 by Sec. 163, Ch. 218, L. 1974; R.C.M. 1947, 3-3305.**

**80-3-607. Inspection and report concerning produce.** When a dealer at wholesale, to whom produce has been shipped, is consigned for sale on a commission basis, or is on consignment or has been shipped under any circumstances in which the title to the produce remains with the shipper, has received the produce, he shall within a reasonable time make a written report to the shipper. The report shall include the exact time of arrival and the quantity and quality of the produce. If the produce is received in a decayed or damaged condition noticeable upon arrival, the dealer shall have the common carrier or the department make proper record certifying the condition. The dealer shall notify the consignor promptly so that the consignor can take further action to verify the report.

**History: En. Sec. 7, Ch. 164, L. 1933; re-en. Sec. 2443.7, R.C.M. 1935; Sec. 84-3407, R.C.M. 1947; amd. and redes. 3-3306 by Sec. 164, Ch. 218, L. 1974; R.C.M. 1947, 3-3306.**

**80-3-608. Enforcement — hearings.** (1) The department upon its own motion may or, upon verified complaint against any dealer or any person, firm, exchange, association, or corporation assuming or attempting to act as such, shall make all investigations it considers necessary. The department shall have at all times free and unimpeded access to all buildings, yards, warehouses, storage, and transportation or any other facilities or places in which any produce is kept, stored, handled, or transported. If the department, upon investigation, believes that a dealer is not acting in accordance with this part or if a verified complaint is filed against any dealer, the department shall have personal service made on the dealer or shall mail by registered mail a complaint or a copy of the verified complaint against the dealer. If dealer fails to make informal adjustment or settlement of the charges to the satisfaction of the department, the department shall give notice of the time and place of a formal hearing. Notice of the hearing shall be given at least 20 days before the hearing and the hearing shall be held in the city or town in which the transaction complained of is alleged to have occurred.

(2) At the hearing, copies of records, inspection certificates, certified reports, and all papers on file in the office of the department are prima facie evidence of the matters contained in them.

(3) After the hearing, the department shall dismiss the charges, suspend the license of the dealer for a specified period, revoke the licenses, or make any other appropriate order considered just and proper. The order shall specify its effective date and any order other than one suspending or revoking a license shall automatically suspend the license until the order is complied with.

**History: En. Sec. 8, Ch. 164, L. 1933; re-en. Sec. 2443.8, R.C.M. 1935; Sec. 84-3408, R.C.M. 1947; amd. and redes. 3-3307 by Sec. 165, Ch. 218, L. 1974; R.C.M. 1947, 3-3307.**

**80-3-609. Effect of appeal to district court.** If the revocation of the license of a produce dealer is appealed to a district court, the license remains in force until the final determination by the court. A license may not be refused during the time or on account of the pendency of any review proceedings.

**History:** En. Sec. 10, Ch. 164, L. 1933; re-en. Sec. 2443.10, R.C.M. 1935; Sec. 84-3410, R.C.M. 1947; amd. and redes. 3-3308 by Sec. 166, Ch. 218, L. 1974; R.C.M. 1947, 3-3308.

**80-3-610. Rules for enforcement of part.** The department shall adopt rules for carrying out and enforcing this part.

**History:** En. Sec. 13, Ch. 164, L. 1933; re-en. Sec. 2443.13, R.C.M. 1935; Sec. 84-3413, R.C.M. 1947; amd. and redes. 3-3309 by Sec. 167, Ch. 218, L. 1974; R.C.M. 1947, 3-3309.

**80-3-611. Cooperation with similar agencies.** The department shall cooperate with the United States department of agriculture and with other federal authorities and with the state and municipal authorities of this and other states and shall perform those other acts necessary in carrying out this part.

**History:** En. Sec. 14, Ch. 164, L. 1933; re-en. Sec. 2443.14, R.C.M. 1935; Sec. 84-3414, R.C.M. 1947; amd. and redes. 3-3310 by Sec. 168, Ch. 218, L. 1974; R.C.M. 1947, 3-3310.

**80-3-612. Disposition of license fees.** All license fees received by the department under this part shall be paid into the state treasury and deposited in the general fund.

**History:** En. Sec. 15, Ch. 164, L. 1933; re-en. Sec. 2443.15, R.C.M. 1935; Sec. 84-3415, R.C.M. 1947; amd. and redes. 3-3311 by Sec. 169, Ch. 218, L. 1974; amd. Sec. 5, Ch. 155, L. 1975; R.C.M. 1947, 3-3311.

**80-3-613. Violation — penalty.** A person who violates this part, fails to comply with rules adopted under this part, or fails to obey an order of the department made under this part is guilty of a misdemeanor and shall be fined not less than $25 or more than $500, imprisoned in the county jail for not more than 6 months, or both fined and imprisoned. The fine, except a fine paid to a justice's court, shall be paid into the state treasury and deposited as provided in 80-3-612.

**History:** En. Sec. 18, Ch. 164, L. 1933; amd. Sec. 3, Ch. 173, L. 1935; re-en. Sec. 2443.16, R.C.M. 1935; Sec. 84-3416, R.C.M. 1947; amd. and redes. 3-3312 by Sec. 170, Ch. 218, L. 1974; amd. Sec. 25, Ch. 13, L. 1977; R.C.M. 1974, 3-3312; amd. Sec. 50, Ch. 557, L. 1987.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

## Part 7

## Itinerant Merchants

**Part Cross-References**

Licensing of itinerant vendors, Title 7, ch. 21, part 23.

Licensing of transient retail merchants, Title 7, ch. 21, part 24.

Licensing of hucksters, Title 7, ch. 21, part 25.

Licensing of weighing devices, 30-12-203.

Inspection and testing of weights and measures, 30-12-205.

**80-3-701. Definitions.** For the purpose of this part, the following definitions apply:

(1) "Itinerant merchant" means a person who buys, offers to buy, sells, or offers to sell in this state at a temporary location, at wholesale or retail, any

produce as defined by 80-3-601, who does not hold a license under the provisions of part 6 of this chapter and transports the produce in this state by use of a motor vehicle or by any other method of transportation, except as otherwise provided, or who has not secured a permit of exemption. The term "itinerant merchant" does not include the following:

(a) a person using a motor vehicle owned by him, whether operated by him or his agent, for the transportation of produce produced by him on owned or leased premises when the entire course of the transportation extends not more than 150 miles from his residence, whether the residence is within or outside this state;

(b) a person handling produce grown by him who has secured from the department of agriculture, before offering the produce for sale, a permit of exemption. The permit shall be issued by the department upon application and payment of a fee of $20. The applicant must first be able to satisfactorily show that he will sell or offer for sale only produce of his own production. The permit shall allow only the sale of produce of his own production and is forfeited if the holder sells or offers to sell any produce not of his own production.

(c) a person transporting property owned by him in a motor vehicle owned by him, whether operated by him or his agent, when the transportation is incident to a business conducted by him at an established place of business operated by him, either within or outside this state, and when the property is being transported to or from an established place of business operated by him in this state;

(d) a person transporting property for his own consumption or use and not for sale.

(2) "Established place of business" means a permanent warehouse, building, or structure in which a permanent business is carried on in good faith and not for the purpose of evading this part and in which stocks of the property being transported are produced, stored, or kept in quantities reasonably adequate for and usually carried for the requirements of the business and which is recognized, licensed, and taxed as a permanent business at the place. The term does not mean residences, tents, temporary stands or other temporary quarters, a railway car, or permanent quarters occupied under a temporary arrangement.

(3) "Temporary location" means any motor vehicle, building or part of any building, trailer or trailer house, or public or quasi-public place temporarily occupied for business as described in subsection (1).

**History: (1)Ap. p. Sec. 1, Ch. 214, L. 1939; Sec. 84-3001, R.C.M. 1947; amd. and redes. 3-3201 by Sec. 144, Ch. 218, L. 1974; amd. Sec. 4, Ch. 155, L. 1975; Sec. 3-3201, R.C.M. 1947; Ap. p. Sec. 3, Ch. 214, L. 1939; Sec. 84-3003, R.C.M. 1947; amd. and redes. 3-3203 by Sec. 146, Ch. 218, L. 1974; Sec. 3-3203, R.C.M. 1947; (2)En. Sec. 2, Ch. 214, L. 1939; Sec. 84-3002, R.C.M. 1947; amd. and redes. 3-3202 by Sec. 145, Ch. 218, L. 1974; Sec. 3-3202, R.C.M. 1947; R.C.M. 1947, 3-3201, 3-3202, 3-3203; amd. Sec. 2, Ch. 620, L. 1987; amd. Sec. 1, Ch. 288, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In definition of itinerant merchant, near beginning, inserted "at a temporary location"; and inserted definition of temporary location. Amendment effective July 1, 1989.

**80-3-702. Exemptions — affidavit.** No person is exempt from this part unless he or the driver of the motor vehicle upon which his property is being transported, upon the request of a peace officer or person charged with the enforcement of this part, executes an affidavit containing those facts the department requires and delivers the affidavit to the peace officer or person. The affidavit must clearly show that the person claiming the exemption is entitled to one or more of the exemptions provided in this part.

**History:** **En. Sec. 4, Ch. 214, L. 1939; Sec. 84-3004, R.C.M. 1947; amd. and redes. 3-3204 by Sec. 147, Ch. 218, L. 1974; R.C.M. 1947, 3-3204.**

**80-3-703. License required.** A person may not engage in business as an itinerant merchant without obtaining a license from the department.

**History:** **En. Sec. 5, Ch. 214, L. 1939; Sec. 84-3005, R.C.M. 1947; amd. and redes. 3-3205 by Sec. 148, Ch. 218, L. 1974; R.C.M. 1947, 3-3205.**

**80-3-704. Application for license — fee.** (1) An application for a license to engage in business as an itinerant merchant shall be made to the department upon forms prepared by it.

(2) A separate application and license are required for each temporary location. The application shall contain those facts the department requires. The fee for each license is $60 for the calendar year in which it is issued, and each license expires December 31 of the calendar year in which issued. The proper fee shall accompany the application. The application shall be signed and sworn to by the applicant.

**History:** **En. Sec. 6, Ch. 214, L. 1939; Sec. 84-3006, R.C.M. 1947; amd. and redes. 3-3206 by Sec. 149, Ch. 218, L. 1974; R.C.M. 1947, 3-3206; amd. Sec. 3, Ch. 620, L. 1987; amd. Sec. 2, Ch. 288, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2) substituted "each temporary location" for "each motor vehicle to be operated" and reduced fee from $200 to $60; and made minor change in phraseology. Amendment effective July 1, 1989.

**80-3-705. Surety bond.** (1) Except as provided in subsection (2), a license may not be issued until the applicant has filed a surety bond or its equivalent, as established by the department by rule, issued by a company authorized to do business in the state. The bond or its equivalent must first be approved by the department and may not be for less than $1,000. The bond or its equivalent must be in a form prescribed by the department and must be conditioned upon the delivery of honest weights, measures, or grades; accurate representation as to quality or class of produce; the actual payment of checks, drafts, or other obligations delivered by the itinerant merchant in exchange for the purchase of produce; and the payment of all other obligations incurred by him.

(2) An itinerant merchant who has sold less than $2,000 of produce in the year immediately preceding his application or whose total inventory or projected cumulative inventory for the license year is less than $2,000 is exempt from the bond requirement.

**History:** **En. Sec. 7, Ch. 214, L. 1939; Sec. 84-3007, R.C.M. 1947; amd. and redes. 3-3207 by Sec. 150, Ch. 218, L. 1974; R.C.M. 1947, 3-3207; amd. Sec. 2, Ch. 257, L. 1987; amd. Sec. 3, Ch. 288, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), at beginning, inserted exception clause; inserted (2) exempting certain itinerant merchants from the bond requirement; and made minor changes in phraseology. Amendment effective July 1, 1989.

**80-3-706. License — issuance, form, and display.** Upon approval of the application and bond and upon compliance with this part, the department shall issue the applicant an itinerant merchant's license in a form prescribed by the department. The license shall at all times be carried by the driver of the motor vehicle described or conspicuously posted at the temporary location and is at all times subject to inspection by any person.

**History:** En. Sec. 8, Ch. 214, L. 1939; Sec. 84-3008, R.C.M. 1947; amd. and redes. 3-3208 by Sec. 151, Ch. 218, L. 1974; R.C.M. 1947, 3-3208; amd. Sec. 4, Ch. 288, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Near end inserted "or conspicuously posted at the temporary location". Amendment effective July 1, 1989.

**80-3-707. License nontransferable.** A license issued under this part may not be sold or transferred, and a license may not be transferred from one vehicle to another without the written consent of the department.

**History:** En. Sec. 9, Ch. 214, L. 1939; Sec. 84-3009, R.C.M. 1947; amd. and redes. 3-3209 by Sec. 152, Ch. 218, L. 1974; R.C.M. 1947, 3-3209.

**80-3-708. Revocation of license.** After a hearing the department may revoke a license issued under this part for failure to comply with any law.

**History:** En. Sec. 10, Ch. 214, L. 1939; Sec. 84-3010, R.C.M. 1947; amd. and redes. 3-3210 by Sec. 153, Ch. 218, L. 1974; R.C.M. 1947, 3-3210.

**80-3-709. Administrative rules.** The department shall adopt and enforce necessary and proper rules for the administration of this part.

**History:** En. Sec. 11, Ch. 214, L. 1939; Sec. 84-3011, R.C.M. 1947; amd. and redes. 3-3211 by Sec. 154, Ch. 218, L. 1974; R.C.M. 1947, 3-3211.

**80-3-710. Offending vehicle to be kept in custody.** A motor vehicle operated in violation of this part shall be kept in the custody of a law enforcement officer or person authorized to enforce this part and may not be operated except under its authority and solely for the purpose of taking it to the nearest convenient place of custody until this part has been complied with.

**History:** En. Sec. 12, Ch. 214, L. 1939; Sec. 84-3012, R.C.M. 1947; amd. and redes. 3-3212 by Sec. 155, Ch. 218, L. 1974; R.C.M. 1947, 3-3212.

**80-3-711. Disposition of license fees.** All license fees received under this part by the department shall be deposited with the state treasurer and shall be used to defray the cost of administration and enforcement of this part.

**History:** En. Sec. 13, Ch. 214, L. 1939; Sec. 84-3013, R.C.M. 1947; amd. and redes. 3-3213 by Sec. 156, Ch. 218, L. 1974; R.C.M. 1947, 3-3213.

**80-3-712. Construction.** Nothing in this part repeals or amends any statute delegating authority to any county or municipal corporation to license, tax, or regulate peddlers or itinerant merchants. This part does not repeal or amend any of the provisions of part 2 of this chapter.

**History:** En. Sec. 14, Ch. 214, L. 1939; Sec. 84-3014, R.C.M. 1947; amd. and redes. 3-3214 by Sec. 157, Ch. 218, L. 1974; R.C.M. 1947, 3-3214.

**80-3-713. Penalty.** A person violating this part is guilty of a misdemeanor and shall be fined not less than $25 or more than $200.

**History: En. Sec. 15, Ch. 214, L. 1939; Sec. 84-3015, R.C.M. 1947; amd. and redes. 3-3215 by Sec. 158, Ch. 218, L. 1974; R.C.M. 1947, 3-3215.**

# CHAPTER 4

# GRAIN
# STANDARDS, STORAGE, AND MERCHANDISING

## Part 1 — Grain Standards

**(Repealed. Sec. 75, Ch. 539, L. 1983.
See Title 80, ch. 4, parts 4 through 7.)**

## Part 2 — Grain Merchandising and Storage

**(Repealed. Sec. 75, Ch. 539, L. 1983.
See Title 80, ch. 4, parts 4 through 7.)**

## Part 3 — Commercial Mustard—Standards and Merchandising

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80-4-302. Definitions and specifications.
80-4-303. Basis of determination.
80-4-304. Weights per bushel.
80-4-305. Moisture.
80-4-306. Weevily mustard seed.
80-4-307. Administration.
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80-4-311. Repealed.
80-4-312. Repealed.
80-4-313. Repealed.

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80-4-711 through 80-4-720 reserved.
80-4-721. Fees for inspection, testing, and weighing grain — disposition — investment.
80-4-722. Records of inspection.
80-4-723. Appeals to department — hearing and order.
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80-4-726. Copies of grades and rules to be furnished and displayed by warehousemen.
80-4-727. Dispute as to grade or dockage — laboratory test to be made.

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**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Montana Wheat Research and Marketing Committee, 2-15-3002.

Public markets, Title 7, ch. 21, part 33.

City to weigh and inspect grain and hay, 7-21-4203.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Producer-held grain in storage — exempt from taxation, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

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Weight and measure of berries and small fruits, 30-12-408.

Cooperative agricultural associations, Title 35, ch. 16.

Cooperative agricultural marketing, Title 35, ch. 17.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, part 1; 50-31-202.

Sale of agricultural goods by state institutions, Title 53, ch. 1, part 3.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Free fare for caretaker of vegetables and fruit shipped by railroad, 69-11-208.

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Grain and commodity storage and transportation, Title 69, ch. 14, part 9.

Suitable railroad cars to be furnished for grain or other bulk commodity shipments, 69-14-921.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

Marketing — export assistance, Title 90, ch. 9, part 4.

## Part 1

## Grain Standards (Repealed. Sec. 75, Ch. 539, L. 1983. See Title 80, ch. 4, parts 4 through 7.)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**80-4-101.** En. Sec. 20, Ch. 216, L. 1921; re-en. Sec. 3574, R.C.M. 1921; amd. Sec. 1, Ch. 41, L. 1923; amd. Sec. 1, Ch. 154, L. 1929; amd. Sec. 1, Ch. 35, L. 1933; re-en. Sec. 3574, R.C.M. 1935; amd. Sec. 1, Ch. 224, L. 1961; amd. Sec. 1, Ch. 13, L. 1977; R.C.M. 1947, 3-201(1) thru (3).

**80-4-102.** (1)En. Sec. 22, Ch. 216, L. 1921; re-en. Sec. 3576, R.C.M. 1921; amd. Sec. 2, Ch. 154, L. 1929; re-en. Sec. 3576, R.C.M. 1935; amd. Sec. 1, Ch. 7, L. 1957; amd. Sec. 10, Ch. 177, L. 1965; amd. Sec. 9, Ch. 218, L. 1974; amd. Sec. 2, Ch. 13, L. 1977; Sec. 3-205, R.C.M. 1947; (2)En. Sec. 26, Ch. 216, L. 1921; re-en. Sec. 3580, R.C.M. 1921; re-en. Sec. 3580, R.C.M. 1935; amd. Sec. 14, Ch. 218, L. 1974; Sec. 3-211, R.C.M. 1947; R.C.M. 1947, 3-205(part), 3-211.

**80-4-103.** En. Sec. 22, Ch. 216, L. 1921; re-en. Sec. 3576, R.C.M. 1921; amd. Sec. 2, Ch. 154, L. 1929; re-en. Sec. 3576, R.C.M. 1935; amd. Sec. 1, Ch. 7, L. 1957; amd. Sec. 10, Ch. 177, L. 1965; amd. Sec. 9, Ch. 218, L. 1974; amd. Sec. 2, Ch. 13, L. 1977; R.C.M. 1947, 3-205(part).

**80-4-104.** En. Sec. 36, Ch. 216, L. 1921; re-en. Sec. 3592, R.C.M. 1921; re-en. Sec. 3592, R.C.M. 1935; amd. Sec. 27, Ch. 218, L. 1974; R.C.M. 1947, 3-232(4).

**80-4-105.** En. Sec. 24, Ch. 216, L. 1921; re-en. Sec. 3578, R.C.M. 1921; re-en. Sec. 3578, R.C.M. 1935; amd. Sec. 10, Ch. 218, L. 1974; R.C.M. 1947, 3-207.

**80-4-106.** (1)En. Sec. 23, Ch. 216, L. 1921; re-en. Sec. 3577, R.C.M. 1921; re-en. Sec. 3577, R.C.M. 1935; Sec. 3-206, R.C.M. 1947; (2)En. Sec. 29, Ch. 216, L. 1921; re-en. Sec. 3583, R.C.M. 1921; re-en. Sec. 3583, R.C.M. 1935; amd. Sec. 17, Ch. 218, L. 1974; Sec. 3-215, R.C.M. 1947; R.C.M. 1947, 3-206, 3-215; amd. Sec. 6, Ch. 20, L. 1979.

**80-4-107 through 80-4-110** reserved.

**80-4-111.** En. Sec. 26, Ch. 216, L. 1921; re-en. Sec. 3580, R.C.M. 1921; re-en. Sec. 3580, R.C.M. 1935; amd. Sec. 12, Ch. 218, L. 1974; amd. Sec. 1, Ch. 43, L. 1977; R.C.M. 1947, 3-209.

**80-4-112.** En. Sec. 26, Ch. 216, L. 1921; re-en. Sec. 3580, R.C.M. 1921; re-en. Sec. 3580, R.C.M. 1935; amd. Sec. 13, Ch. 218, L. 1974; amd. Sec. 3, Ch. 13, L. 1977; R.C.M. 1947, 3-210.

**80-4-113.** En. Sec. 34, Ch. 216, L. 1921; re-en. Sec. 3590, R.C.M. 1921; re-en. Sec. 3590, R.C.M. 1935; amd. Sec. 25, Ch. 218, L. 1974; R.C.M. 1947, 3-230.

**80-4-114.** En. Sec. 35, Ch. 216, L. 1921; re-en. Sec. 3591, R.C.M. 1921; re-en. Sec. 3591, R.C.M. 1935; amd. Sec. 26, Ch. 218, L. 1974; R.C.M. 1947, 3-231.

**80-4-115.** En. Sec. 36, Ch. 216, L. 1921; re-en. Sec. 3592, R.C.M. 1921; re-en. Sec. 3592, R.C.M. 1935; amd. Sec. 27, Ch. 218, L. 1974; R.C.M. 1947, 3-232(1) thru (3).

**80-4-116.** En. 3-232.1 by Sec. 28, Ch. 218, L. 1974; R.C.M. 1947, 3-232.1.

**80-4-117.** En. Sec. 1, Ch. 160, L. 1935; re-en. Sec. 3592.42, R.C.M. 1935; amd. Sec. 1, Ch. 379, L. 1973; Sec. 3-512, R.C.M. 1947; amd. and redes. 3-232.2 by Sec. 30, Ch. 218, L. 1974; R.C.M. 1947, 3-232.2.

**80-4-118.** En. Sec. 2, Ch. 160, L. 1935; re-en. Sec. 3592.43, R.C.M. 1935; Sec. 3-513, R.C.M. 1947; amd. and redes. 3-232.3 by Sec. 31, Ch. 218, L. 1974; R.C.M. 1947, 3-232.3.

**80-4-119.** (1), (2)En. Sec. 27, Ch. 216, L. 1921; re-en. Sec. 3581, R.C.M. 1921; amd. Sec. 4, Ch. 154, L. 1929; re-en. Sec. 3581, R.C.M. 1935; amd. Sec. 16, Ch. 218, L. 1974; Sec. 3-213, R.C.M. 1947; (3) thru (5)En. Sec. 1, Ch. 203, L. 1957; amd. Sec. 27, Ch. 147, L. 1963; amd. Sec. 1, Ch. 70, L. 1973; amd. Sec. 29, Ch. 218, L. 1974; amd. Sec. 4, Ch. 16, L. 1977; Sec. 3-233, R.C.M. 1947; R.C.M. 1947, 3-213, 3-233.

**80-4-120.** En. Sec. 28, Ch. 216, L. 1921; re-en. Sec. 3582, R.C.M. 1921; re-en. Sec. 3582, R.C.M. 1935; amd. Sec. 2, Ch. 7, L. 1957; R.C.M. 1947, 3-214.

**80-4-121.** En. Sec. 30, Ch. 216, L. 1921; re-en. Sec. 3584, R.C.M. 1921; re-en. Sec. 3584, R.C.M. 1935; amd. Sec. 18, Ch. 218, L. 1974; R.C.M. 1947, 3-216.

**80-4-122.** En. Sec. 1, Ch. 9, L. 1957; Sec. 94-35-270, R.C.M. 1947; redes. 3-234 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 3-234.

**80-4-123.** En. Sec. 2, Ch. 9, L. 1957; Sec. 94-35-271, R.C.M. 1947; redes. 3-235 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 3-235.

**80-4-124.** En. Sec. 1, Ch. 80, L. 1959; Sec. 94-35-271.1, R.C.M. 1947; redes. 3-236 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 3-236.

**80-4-125.** En. Sec. 2, Ch. 80, L. 1959; Sec. 94-35-271.2, R.C.M. 1947; redes. 3-237 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 3-237.

**80-4-126.** En. Sec. 3, Ch. 80, L. 1959; Sec. 94-35-271.3, R.C.M. 1947; redes. 3-238 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 3-238.

## Part 2

## Grain Merchandising and Storage (Repealed. Sec. 75, Ch. 539, L. 1983. See Title 80, ch. 4, parts 4 through 7.)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**80-4-201.** (1), (4), (8)En. Sec. 20, Ch. 216, L. 1921; re-en. Sec. 3574, R.C.M. 1921; amd. Sec. 1, Ch. 41, L. 1923; amd. Sec. 1, Ch. 154, L. 1929; amd. Sec. 1, Ch. 35, L. 1933; re-en. Sec. 3574, R.C.M. 1935; amd. Sec. 1, Ch. 224, L. 1961; amd. Sec. 1, Ch. 13, L. 1977; Sec. 3-201, R.C.M. 1947; (2), (3), (5) thru (7)En. Sec. 1, Ch. 39, L. 1973; amd. Sec. 3, Ch. 43, L. 1977; Sec. 3-228.1, R.C.M. 1947; R.C.M. 1947, 3-201(4) thru (6), 3-228.1(part).

**80-4-202.** En. Sec. 2, Ch. 39, L. 1973; amd. Sec. 4, Ch. 43, L. 1977; R.C.M. 1947, 3-228.2.

**80-4-203.** En. Sec. 3, Ch. 39, L. 1973; amd. Sec. 41, Ch. 359, L. 1977; R.C.M. 1947, 3-228.3.

**80-4-204.** En. Sec. 4, Ch. 39, L. 1973; R.C.M. 1947, 3-228.4.

**80-4-205.** En. Sec. 5, Ch. 39, L. 1973; R.C.M. 1947, 3-228.5.

**80-4-206.** En. Sec. 6, Ch. 39, L. 1973; R.C.M. 1947, 3-228.6.

**80-4-207.** En. Sec. 7, Ch. 39, L. 1973; R.C.M. 1947, 3-228.7.

**80-4-208.** En. 3-228.8 by Sec. 1, Ch. 86, L. 1974; R.C.M. 1947, 3-228.8.

**80-4-209.** En. Sec. 33, Ch. 216, L. 1921; re-en. Sec. 3589, R.C.M. 1921; amd. Sec. 5, Ch. 41, L. 1923; re-en. Sec. 3589, R.C.M. 1935; amd. Sec. 2, Ch. 224, L. 1961; amd. Sec. 23, Ch. 218, L. 1974; amd. Sec. 7, Ch. 13, L. 1977; amd. Sec. 2, Ch. 43, L. 1977; R.C.M. 1947, 3-227.

**80-4-210 through 80-4-220** reserved.

**80-4-221.** En. Sec. 26, Ch. 216, L. 1921; re-en. Sec. 3580, R.C.M. 1921; re-en. Sec. 3580, R.C.M. 1935; amd. Sec. 15, Ch. 218, L. 1974; R.C.M. 1947, 3-212.

**80-4-222.** En. Sec. 25, Ch. 216, L. 1921; re-en. Sec. 3579, R.C.M. 1921; amd. Sec. 3, Ch. 154, L. 1929; amd. Sec. 2, Ch. 35, L. 1933; re-en. Sec. 3579, R.C.M. 1935; amd. Sec. 1, Ch. 6, L. 1957; amd. Sec. 1, Ch. 196, L. 1974; amd. Sec. 11, Ch. 218, L. 1974; amd. Sec. 1, Ch. 302, L. 1975; amd. Sec. 1, Ch. 177, L. 1977; R.C.M. 1947, 3-208.

**80-4-223.** En. Sec. 25, Ch. 209, L. 1919; re-en. Sec. 3585, R.C.M. 1921; re-en. Sec. 3585, R.C.M. 1935; amd. Sec. 19, Ch. 218, L. 1974; R.C.M. 1947, 3-217.

**80-4-224.** En. Sec. 26, Ch. 209, L. 1919; re-en. Sec. 31, Ch. 216, L. 1921; re-en. Sec. 3586, R.C.M. 1921; re-en. Sec. 3586, R.C.M. 1935; amd. Sec. 20, Ch. 218, L. 1974; R.C.M. 1947, 3-218.

**80-4-225.** En. Sec. 28, Ch. 209, L. 1919; re-en. Sec. 3587, R.C.M. 1921; re-en. Sec. 3587, R.C.M. 1935; R.C.M. 1947, 3-219.

**80-4-226.** En. Sec. 32, Ch. 216, L. 1921; re-en. Sec. 3588, R.C.M 1921; amd. Sec. 3, Ch. 41, L. 1923; amd. Sec. 1, Ch. 174, L. 1925; amd. Sec. 5, Ch. 154, L. 1929; amd. Sec. 3, Ch. 35, L. 1933; re-en. Sec. 3588, R.C.M. 1935; amd. Sec. 4, Ch. 13, L. 1977; R.C.M. 1947, 3-220.

**80-4-227.** En. Sec. 32, Ch. 216, L. 1921; re-en. Sec. 3588, R.C.M. 1921; amd. Sec. 3, Ch. 41, L. 1923; amd. Sec. 1, Ch. 174, L. 1925; amd. Sec. 5, Ch. 154, L. 1929; amd. Sec. 3, Ch. 35, L. 1933; re-en. Sec. 3588, R.C.M. 1935; amd. Sec. 21, Ch. 218, L. 1974; R.C.M. 1947, 3-221.

**80-4-228.** En. Sec. 32, Ch. 216, L. 1921; re-en. Sec. 3588, R.C.M. 1921; amd. Sec. 3, Ch. 41, L. 1923; amd. Sec. 1, Ch. 174, L. 1925; amd. Sec. 5, Ch. 154, L. 1929; amd. Sec. 3, Ch. 35, L. 1933; re-en. Sec. 3588, R.C.M. 1935; amd. Sec. 22, Ch. 218, L. 1974; R.C.M. 1947, 3-222.

**80-4-229.** En. Sec. 32, Ch. 216, L. 1921; re-en. Sec. 3588, R.C.M. 1921; amd. Sec. 3, Ch. 41, L. 1923; amd. Sec. 1, Ch. 174, L. 1925; amd. Sec. 5, Ch. 154, L. 1929; amd. Sec. 3, Ch. 35, L. 1933; re-en. Sec. 3588, R.C.M. 1935; R.C.M. 1947, 3-223.

**80-4-230.** En. Sec. 32, Ch. 216, L. 1921; re-en. Sec. 3588, R.C.M. 1921; amd. Sec. 3, Ch. 41, L. 1923; amd. Sec. 1, Ch. 174, L. 1925; amd. Sec. 5, Ch. 154, L. 1929; amd. Sec. 3, Ch. 35, L. 1933; re-en. Sec. 3588, R.C.M. 1935; amd. Sec. 5, Ch. 13, L. 1977; R.C.M. 1947, 3-224.

**80-4-231.** En. Sec. 3588-A, R.C.M. 1921, by Sec. 4, Ch. 41, L. 1923; re-en. Sec. 3588.1, R.C.M. 1935; amd. Sec. 6, Ch. 13, L. 1977; R.C.M. 1947, 3-225(part).

**80-4-232.** En. Sec. 3588-A, R.C.M. 1921, by Sec. 4, Ch. 41, L. 1923; re-en. Sec. 3588.1, R.C.M. 1935; amd. Sec. 6, Ch. 13, L. 1977; R.C.M. 1947, 3-225(part).

**80-4-233.** En. Sec. 3588-B, R.C.M. 1921, by Sec. 4, Ch. 41, L. 1923; re-en. Sec. 3588.2, R.C.M. 1935; amd. Sec. 11-101, Ch. 264, L. 1963; R.C.M. 1947, 3-226.

**80-4-234.** En. Sec. 3589-A, R.C.M. 1921, by Sec. 6, Ch. 41, L. 1923; amd. Sec. 1, Ch. 42, L. 1925; re-en. Sec. 3589.1, R.C.M. 1935; amd. Sec. 24, Ch. 218, L. 1974; R.C.M. 1947, 3-229.

## Part 3

## Commercial Mustard — Standards and Merchandising

**80-4-301. Standard classes of mustard seed — grade requirements.** (1) The standard classes of mustard seed for the state of Montana shall be as follows:

(a) fancy—cultivated tame yellow mustard seed;
(b) class 1—cultivated tame yellow mustard seed;
(c) class 2—cultivated tame brown mustard seed;
(d) class 3—cultivated tame Montana oriental mustard seed;
(e) class 4—mixed cultivated tame mustard seed.

(2) Classes 1, 2, and 3 shall contain not more than 5% of other classes. Class 4 shall be any mixture of cultivated tame mustard seed having an admixture of other classes in excess of 5% and shall be graded according to the predominating class in the mixture.

(3) Grade requirements for cultivated tame mustard seed (percentage figures determined after the removal of dockage):

| | GRADE NUMBER | | | |
|---|---|---|---|---|
| | Fancy | 1 | 2 | 3 |
| Sound cultivated mustard not less than | 99% | 98 ½% | 97% | 95% |
| Damaged kernels | | | | |
| heat-damaged | 0 | 0.1% | 0.2% | 0.5% |
| Total | 1% | 1 ½% | 3 % | 5 % |
| Other classes | | | | |
| wild mustard | 0 | 0.1% | 0.2% | 0.5% |
| Total | 0 | 0.5% | 2.0% | 5.0% |
| Foreign material other than dockage | | | | |
| Cockle seed | 0 | 0.1% | 0.2% | 0.3% |
| Weed seed | 0 | 0.3% | 0.5% | 0.7% |
| Total | 0 | 1 % | 1 ½% | 2 % |

Sample: Sample grade shall include mustard seed which does not come within the requirements of any of the grades, No. 1 to No. 3, inclusive, or which has any objectionable foreign odor or is sour, heating, hot, or is otherwise of distinctly low quality or contains small, inseparable stones or cinders.

**History:** En. Sec. 1, Ch. 35, L. 1941; amd. Sec. 1, Ch. 170, L. 1957; amd. Sec. 20, Ch. 13, L. 1977; R.C.M. 1947, 3-1901.

**Cross-References**

U.C.C. — exclusion of warranties as to disease-free seed, 30-2-316.

**80-4-302. Definitions and specifications.** The following definitions and specifications are hereby adopted and made legal:

(1) "Damaged seeds" include all seeds and pieces of seeds of mustard seed which are completely covered with mold, very green, sprouted, frosted, badly ground damaged, badly weather damaged, or otherwise distinctly damaged.

(2) "Heat damaged seeds" include seeds and pieces of seeds of mustard seed which have been distinctly discolored by external heat or as a result of heating caused by fermentation.

(3) "Dockage" includes sand, dirt, weed seeds, weed stems, chaff, straw, mustard seed other than tame mustard, and any other foreign material which can be removed readily from the mustard by the use of appropriate sieves, cleaning devices, or other practical means suited to separate the foreign material present. The term also includes undeveloped, shriveled, and small pieces of mustard seeds removed in properly separating the foreign material which cannot be recovered by properly rescreening or recleaning. The quantity of dockage shall be calculated in terms of percentage. When less than ½ of 1% it shall be disregarded. The percentage of dockage so determined and stated shall be added to the grade designation. Dockage is to be calculated in gradients of ½ of 1%, that is to say, 0% to 0.4% will be designated as no dockage, 0.5% to 0.9% will be designated as ½ of 1% dockage, 1% to 1.4% will be designated as 1% dockage, 1.5% to 1.9% will be designated as 1.5% dockage, and so on.

(4) "Foreign material other than dockage" includes all matter other than tame cultivated mustard seed which is not separated in the proper determination of dockage. However, rapeseed, common wild mustards, and other seeds that blend with class 2 and class 3 mustard seed and thus are not readily identified and the total of which is not in excess of 2.5% shall not be considered foreign material and shall not be considered in grading such classes of mustard seed.

(5) Percentages, except in the case of moisture, shall be percentages ascertained by weight.

(6) Percentage of moisture shall be that ascertained by use of the equipment and procedure prescribed by the department.

(7) Percentage of dockage shall be that ascertained by use of the equipment and procedure prescribed by the department.

(8) The test weight per bushel shall be the weight per winchester bushel as determined by the testing apparatus and the method of use thereof prescribed by the department or as determined by any device and method which give equivalent results in the determination of test weight per bushel.

**History: En. Sec. 2, Ch. 35, L. 1941; amd. Sec. 1, Ch. 31, L. 1971; amd. Sec. 21, Ch. 13, L. 1977; amd. Sec. 6, Ch. 315, L. 1977; R.C.M. 1947, 3-1902(1) thru (4), (6) thru (9).**

**80-4-303. Basis of determination.** (1) Each determination of dockage, temperature, moisture, odor, and content of live weevil or other insects injurious to stored mustard seed shall be upon the basis of the seed as a whole.

(2) Determination of the percentage of damage, heat damage, sound cultivated mustard seed, and foreign material and determinations of all other factors not otherwise provided for shall be on the basis of a portion cut from the original sample and separated by handpicking.

**History: En. Sec. 2, Ch. 35, L. 1941; amd. Sec. 1, Ch. 31, L. 1971; amd. Sec. 21, Ch. 13, L. 1977; amd. Sec. 6, Ch. 315, L. 1977; R.C.M. 1947, 3-1902(5), (10).**

**80-4-304. Weights per bushel.** (1) Legal test weights per bushel are the weight per winchester bushel as determined by the testing apparatus and the method of use thereof prescribed by the department or as determined by any device and method which give equivalent results in the determination of test weight per bushel.

(2) Weight per bushel for tame yellow mustard seed shall be:

| | |
|---|---|
| Fancy | 56 lbs. |
| No. 1 | 54 lbs. |
| No. 2 | 52 lbs. |
| No. 3 | 50 lbs. |

(3) Weight per bushel for tame brown and tame Montana oriental mustard seed shall be:

| | |
|---|---|
| No. 1 | 52 lbs. |
| No. 2 | 51 lbs. |
| No. 3 | 50 lbs. |

(4) All seeds weighing less than the above per bushel shall be graded as sample weight, provided that the percentage of damage, heat damage, sound cultivated mustard seed, and foreign material and determination of all other factors not otherwise provided for shall be on the basis of a portion cut from the original sample and separated by hand picking.

**History: En. Sec. 3, Ch. 35, L. 1941; amd. Sec. 2, Ch. 170, L. 1957; amd. Sec. 22, Ch. 13, L. 1977; R.C.M. 1947, 3-1903.**

**80-4-305. Moisture.** The mustard seed in grades 1 to 3, inclusive, shall contain not more than 11% moisture. "Tough" mustard seed shall be all mustard seed containing more than 11% moisture and shall be graded and designated according to the grade requirements of the standards applicable to such seed if it were not tough, and there shall be added to and made a part of the grade designation the word "tough".

**History: En. Sec. 4, Ch. 35, L. 1941; R.C.M. 1947, 3-1904.**

**Cross-References**

U.C.C. — exclusion of warranties as to disease-free seed, 30-2-316.

**80-4-306. Weevily mustard seed.** Weevily mustard seed shall be mustard seed which is infested with live weevil or other insects injurious to stored grain. Weevily mustard seed shall be graded and designated according to the grade requirements of the standards applicable to such mustard seed if it were not weevily, and there shall be added and made a part of the grade designation the word "weevily".

**History: En. Sec. 5, Ch. 35, L. 1941; R.C.M. 1947, 3-1905.**

**Cross-References**

U.C.C. — exclusion of warranties as to disease-free seed, 30-2-316.

**80-4-307. Administration.** The department shall administer and enforce 80-4-301 through 80-4-307. The department may adopt necessary rules to administer and enforce 80-4-301 through 80-4-307. The department shall fix the fees for inspection and weighing of mustard seed, and the fees are a lien upon the mustard seed until paid. The fees shall be collected by the department. The department shall deposit the fees with the state treasurer who shall deposit them in the state special revenue fund. All operating expenses of 80-4-301 through 80-4-307 shall be paid from those fees.

**History:** **En. Sec. 6, Ch. 35, L. 1941; amd. Sec. 37, Ch. 147, L. 1963; amd. Sec. 100, Ch. 218, L. 1974; R.C.M. 1947, 3-1906; amd. Sec. 1, Ch. 277, L. 1983.**

**80-4-308. Penalty.** Anyone violating any of the terms of 80-4-301 through 80-4-307 shall upon conviction be guilty of a misdemeanor and shall be fined not less than $25 or more than $100.

**History:** **En. Sec. 7, Ch. 35, L. 1941; amd. Sec. 7, Ch. 315, L. 1977; R.C.M. 1947, 3-1907.**

**80-4-309 and 80-4-310 reserved.**

**80-4-311. Repealed.** Sec. 75, Ch. 539, L. 1983. (See Title 80, ch. 4, parts 4 through 7.)

**History:** **En. Sec. 1, Ch. 64, L. 1939; amd. Sec. 101, Ch. 218, L. 1974; amd. Sec. 8, Ch. 315, L. 1977; R.C.M. 1947, 3-1908.**

**80-4-312. Repealed.** Sec. 75, Ch. 539, L. 1983. (See Title 80, ch. 4, parts 4 through 7.)

**History:** **En. Sec. 2, Ch. 64, L. 1939; amd. Sec. 102, Ch. 218, L. 1974; R.C.M. 1947, 3-1909.**

**80-4-313. Repealed.** Sec. 75, Ch. 539, L. 1983. (See Title 80, ch. 4, parts 4 through 7.)

**History:** **En. Sec. 5, Ch. 64, L. 1939; R.C.M. 1947, 3-1912.**

## Part 4

## Agricultural Commodities Generally

**80-4-401. Short title.** Parts 4 through 7 of this chapter may be cited as the "Agricultural Warehouse, Commodity Dealer, and Grain Standards Act".

**History:** **En. Sec. 1, Ch. 539, L. 1983.**

**80-4-402. Definitions.** As used in parts 4 through 7 of this chapter, the following definitions apply:

(1) "Agent" means any person who contracts for or solicits any agricultural commodities from a producer or warehouseman or negotiates the consignment or purchase of any agricultural commodity on behalf of any commodity dealer.

(2) "Agricultural commodity" means any grain, beans, safflower, sunflower seeds, tame mustards, rapeseed, flaxseed, leguminous seed, or other small seed, and other agricultural commodities designated by rule of the department.

(3) "Bond" means the bond required to be filed by part 5 or 6 of this chapter and includes any equivalent established by department rule, as provided in 80-4-504 and 80-4-604.

(4) "Commodity dealer" means any person who engages in a business involving or, as part of his business, participates in buying, exchanging, negotiating, or soliciting the sale, resale, exchange, or transfer of any agricultural commodity in the state of Montana. The term does not include:

(a) a person engaged solely in storing, shipping, or handling agricultural commodities for hire;

(b) a person who buys agricultural commodities from a licensed commodity dealer or who does not purchase more than $30,000 worth of agricultural commodities from producers during a licensing year;

(c) a person who is the producer of agricultural commodities that he actually plants, nurtures, and harvests; or

(d) a person whose trading in agricultural commodities is limited to trading in commodity futures on a recognized futures exchange.

(5) "Credit sale contract" means a contract for the sale of an agricultural commodity when the sale price is to be paid at a date after delivery of the agricultural commodity to the buyer and includes but is not limited to those contracts commonly referred to as deferred payment contracts, deferred pricing contracts, or price-later contracts.

(6) "Department" means the department of agriculture provided for in 2-15-3001.

(7) "Depositor" means any person who deposits an agricultural commodity in a warehouse for storage, processing, handling, or shipment or who is the owner or legal holder of an outstanding warehouse receipt or who is lawfully entitled to possession of the agricultural commodity.

(8) "Director" means the director of the department of agriculture.

(9) "Grain" means all grains for which standards have been established under the United States Grain Standards Act (7 U.S.C. 71 through 87) and all other agricultural commodities, such as mustard, oil seed crops, or other crops which may be designated by rule of the department.

(10) "Grain Standards Act" means the United States Grain Standards Act (7 U.S.C. 71 through 87) as that act reads on July 1, 1983.

(11) "Inspector" means any person so designated by the director to assist in the administration of parts 4 through 6 of this chapter. The term includes warehouse auditors or examiners.

(12) "Official grain inspectors" means any official personnel who perform or supervise the performance of official inspection services and certify the results thereof, including the grade of the grain.

(13) "Official grain samplers" or "samplers" means any official personnel who perform or supervise the performance of official sampling services and certify the results thereof.

(14) "Official grain standards" means the standards of quality and condition of grain that establish the grades defined by the Grain Standards Act.

(15) "Official grain weighers" means any official personnel who perform or supervise the performance of class X or class Y weighing services and certify the results thereof, including the weight of the grain.

(16) "Person" means any individual, firm, association, corporation, partnership, or any other form of business enterprise.

(17) "Producer" means the owner, tenant, or operator of land in this state who has an interest in and receives all or part of the proceeds from the sale of agricultural commodities produced on that land.

(18) "Public warehouse" or "warehouse" means any elevator, mill, warehouse, subterminal grain warehouse, public warehouse, or other structure or facility in which, for compensation, agricultural commodities are received for storage, handling, processing, or shipment. The term includes facilities which

commingle commodities belonging to different lots of agricultural commodities.

(19) "Receipt" means a warehouse receipt.

(20) "Scale weight ticket" means a load slip or other evidence of delivery, other than a receipt, given to a depositor by a warehouseman licensed under the provisions of part 5 of this chapter upon initial delivery of the agricultural commodity to the warehouse.

(21) "Station" means a warehouse located more than 3 miles from the central office of the warehouse.

(22) "Subterminal warehouse" means any warehouse at which an intermediate function is performed in which agricultural commodities are customarily received from dealers or producers and where the commodities are accumulated prior to shipment.

(23) "Terminal grain warehouse" means any warehouse authorized by a grain exchange to receive or disburse grain on consignment as presented by the rules and regulations of a grain exchange.

(24) "Warehouseman" means a person operating or controlling a public warehouse.

(25) "Warehouse receipt" means every receipt, whether negotiable or nonnegotiable, issued under part 5 of this chapter by a warehouseman, except scale weight tickets.

**History: En. Sec. 2, Ch. 539, L. 1983; amd. Sec. 1, Ch. 55, L. 1985; amd. Sec. 1, Ch. 578, L. 1985.**

**80-4-403. Rules — adoption.** The department shall adopt such rules as it determines necessary for the efficient execution of the provisions of parts 4 through 7 of this chapter.

**History: En. Sec. 3, Ch. 539, L. 1983.**

**80-4-404. Terms of licenses — renewals.** Each license issued or renewed under parts 5 and 6 of this chapter shall be issued for a period to be prescribed by rule of the department.

**History: En. Sec. 4, Ch. 539, L. 1983.**

**80-4-405. Maximum bond amount.** The maximum amount of any public warehouseman bond may not exceed $1 million and the maximum amount of a commodity dealer bond may not exceed $1 million, except:

(1) any bonds compensating for net asset deficiencies prescribed in parts 5 and 6 of this chapter must be added to the maximum bond amount; and

(2) the maximum bond amount must be adjusted each year based upon the percentage increase or decrease in the annual average index of prices received by Montana farmers for food and feed grains as computed by the Montana crop and livestock reporting service.

**History: En. Sec. 5, Ch. 539, L. 1983.**

**80-4-406. Appointment by nonresident licensee of agent to receive process.** A nonresident applying for a license under this chapter shall file a written power of attorney, designating the secretary of state as his agent upon whom service of process may be had if legal action is brought against the nonresident. A nonresident who has a duly appointed resident agent upon whom legal process may be served as provided by law is not required to designate the secretary of state as his agent for service of process. The department must be furnished a copy of the designation of the resident agent, which copy shall be certified by the secretary of state.

**History:** **En. Sec. 6, Ch. 539, L. 1983.**

**Cross-References**

Service of process on Secretary of State, Rule 4D(6), M.R.Civ.P. (see Title 25, ch. 20).

**80-4-407. Reports to the department.** Each person licensed under parts 5 and 6 of this chapter shall report to the department at intervals set by rule of the department on forms prepared by it. The reports must show the total weight of each kind of agricultural commodity received and shipped, the amount of outstanding warehouse receipts on that date, and a statement of the amount of agricultural commodities on hand to cover the outstanding warehouse receipts. The department may also, by rule, require special reports at any time.

**History:** **En. Sec. 7, Ch. 539, L. 1983.**

**80-4-408. Examination of books.** The department is authorized, through its officials, employees, or designated agents, to examine or copy all books, records, papers, and accounts of persons licensed under parts 5 and 6 of this chapter.

**History:** **En. Sec. 8, Ch. 539, L. 1983.**

**80-4-409. Confidentiality of records.** All financial statements of warehousemen and commodity dealers required under the provisions of parts 5 and 6 of this chapter shall be kept confidential by the department and are not subject to disclosure except:

(1) upon written permission of the licensee;

(2) in actions or administrative proceedings commenced under the provisions of parts 4 through 6 of this chapter;

(3) when required by subpoena or court order;

(4) when disclosed to law enforcement agencies in connection with the investigation or prosecution of criminal offenses; or

(5) when released to a bonding company approved by the department.

**History:** **En. Sec. 9, Ch. 539, L. 1983.**

**80-4-410. Publication of reports.** The department may publish the results of any investigation made. It may publish the names and addresses of persons licensed under parts 5 and 6 of this chapter, and it may also publish a list of all licenses terminated under parts 5 and 6 of this chapter and the causes therefor.

**History:** **En. Sec. 10, Ch. 539, L. 1983.**

**80-4-411. Employment of assistants.** The department is authorized to employ qualified persons not regularly in the service of the state for temporary assistance in carrying out the provisions of parts 4 through 7 of this chapter.

**History:** **En. Sec. 11, Ch. 539, L. 1983.**

**80-4-412 through 80-4-420 reserved.**

**80-4-421. License suspension and revocation — renewal.** (1) The department may revoke, suspend, or modify a license when it has reasonable cause to believe that the licensee has committed any of the following acts, each of which is a violation of parts 5 and 6 of this chapter:

(a) failure to maintain all initial licensing requirements, including insurance, bonding, and net asset requirements. In determining compliance with net asset requirements, the department may consider the licensee's status under any prior or current bankruptcy proceedings, as well as any outstanding civil settlements or judgments.

(b) aiding or abetting another person in the violation of the licensure or any other provisions of parts 5 and 6 of this chapter;

(c) conviction of any criminal offense defined under Title 45;

(d) failure or refusal to allow inspection or maintain and provide records, reports, and other information required by the department;

(e) failure or refusal to post storage and other charges as filed with the department;

(f) failure or refusal to accept agricultural commodities for storage as required under 80-4-523;

(g) failure to comply with the warehouse receipt and scale weight ticket requirements of 80-4-525 and 80-4-527;

(h) failure of a warehouseman to maintain and deliver upon request sufficient agricultural commodities to cover outstanding warehouse receipts as required under 80-4-531;

(i) discrimination in charges by a warehouseman as provided in 80-4-524;

(j) failure to provide payment for any agricultural commodity; or

(k) violation of or failure or refusal to comply with any other provision of parts 4 through 6 of this chapter or rule adopted by the department.

(2) The department may refuse to issue or renew a license if the applicant or licensee:

(a) has a license as a warehouseman or commodity dealer that was previously or is currently suspended or revoked. In determining the sufficiency of cause hereunder, the department shall consider the nature and length of the action and any subsequent licensure or other evidence of rehabilitation.

(b) does not satisfy the bonding, insurance, or net asset requirements as specified in subsection (1)(a) or any other provisions required as a condition to licensing;

(c) has been convicted of a criminal offense and the denial or refusal is made after considering Title 37, chapter 1, part 2.

(3) The issuance of a license based on information provided by the applicant which the department subsequently determines incorrect must be considered void, and any conduct under that license is a violation.

(4) All proceedings brought under subsections (1) and (2) must be conducted under the provisions of the Montana Administrative Procedure Act.

(5) The department is authorized to issue summary revocations, suspensions, or denials without hearing pursuant to the procedures established in 2-4-631.

**History: En. Sec. 12, Ch. 539, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-4-422. Credit sale contracts.** (1) A commodity dealer who purchases agricultural commodities by credit sale contract shall maintain books, records, and other documents as required by the department to establish compliance with the provisions of this section.

(2) In addition to other required information, a credit sale contract must contain or provide for all of the following:

(a) the seller's name and address;
(b) the conditions of delivery;
(c) the amount and kind of agricultural commodities delivered;
(d) the price per unit or basis of value; and
(e) the date payment is to be made.

(3) Title to all agricultural commodities sold by credit sale contract is in the purchaser as of the time the contract is executed unless the contract provides otherwise. The contract must be signed by both parties and executed in duplicate. One copy shall be retained by the commodity dealer, and one copy shall be delivered to the seller. Upon revocation, suspension, or termination of a warehouseman's license, the department may advance the payment date for all credit sale contracts to a date not later than 30 days following the effective date of the revocation, suspension, or termination. When not otherwise provided, the purchase price for all agricultural commodities shall be determined as of the effective date of revocation, suspension, or termination in accordance with all other provisions of the contract. However, if the business of the commodity dealer is sold to another licensed commodity dealer, credit sale contracts may be assigned to the purchasing commodity dealer.

**History:** **En. Sec. 13, Ch. 539, L. 1983.**

**80-4-423. Delivery of agricultural commodities containing toxic chemicals to warehouse or to commodity dealer unlawful.** It is unlawful for any person to deliver to any warehouse or commodity dealer an agricultural commodity in bulk if the commodity contains toxic chemicals and the person knew or upon the exercise of reasonable diligence should have known of the presence of the toxic chemicals in the commodity.

**History:** **En. Sec. 14, Ch. 539, L. 1983.**

**80-4-424. Director's authority — investigative hearing.** The director may upon his own motion, whenever he has reason to believe a violation has occurred or upon verified complaint of any person in writing, investigate the actions of any person and, if he finds probable cause, shall notify the person that he must appear for an investigative hearing before the director 20 days from receipt of written notice.

**History:** **En. Sec. 15, Ch. 539, L. 1983.**

**80-4-425. Action on bond by persons injured.** (1) A person injured by the breach of an obligation for which a bond is given to the department may take action against the bond in his own name to recover damages caused by the breach. The director shall then make demand upon the warehouseman or the commodity dealer and his surety for payment of damages. If the damages are not promptly paid, the director shall commence an action on the bond to enforce payment of damages.

(2) Liability of the surety upon the bond is limited to the amount of the bond. However, if two or more persons are injured by breach of the obligation

for which the bond is given and the damages for violating the conditions of the bond exceed the specified amount of the bond, the recovery on the bond shall be prorated by the surety among all of those injured.

**History:** **En. Sec. 16, Ch. 539, L. 1983.**

**80-4-426. Duty to prosecute.** A county attorney who has appropriate jurisdiction and to whom any violation is reported shall cause appropriate proceedings to be instituted and prosecute without delay in a court of competent jurisdiction.

**History:** **En. Sec. 17, Ch. 539, L. 1983.**

**80-4-427. Injunction.** If a person without a license is found to have engaged in any business for which a license is required under parts 5 and 6 of this chapter, the court shall enjoin him from further business until he has been duly licensed. It is not necessary that the department show that an individual has been injured by the actions complained of in order to issue the injunction. The procedure for injunctive relief is the same as any other action for an injunction under Title 27. The injunction provided by this section is an additional remedy to the criminal penalty provided for in 80-4-428.

**History:** **En. Sec. 18, Ch. 539, L. 1983; amd. Sec. 141, Ch. 370, L. 1987.**

**80-4-428. Penalty for operating without a license — misrepresentation.** (1) A person acting as a warehouseman or a commodity dealer without a license or in any way representing by action or words that he is a warehouseman or a commodity dealer when not so licensed violates the provisions of parts 5 and 6 of this chapter, is guilty of a felony, and is punishable by imprisonment for not more than 10 years or by a fine of not more than $10,000, or both.

(2) A person who issues or aids in the issuance of a fraudulent receipt for any commodity is guilty of a felony and is punishable by imprisonment for not more than 10 years or by a fine of not more than $10,000, or both.

(3) A person who knowingly submits false information to or who knowingly withholds information from the department when that information is required to be submitted is guilty of a felony.

**History:** **En. Sec. 19, Ch. 539, L. 1983.**

**80-4-429. Penalty.** (1) Except as otherwise provided, any person who violates any provision of parts 4 through 6 of this chapter or rules promulgated thereunder or who impedes, obstructs, hinders, or otherwise prevents or attempts to prevent the director or his duly authorized representative in the performance of his duty under parts 4 through 6 of this chapter is guilty of a misdemeanor and is punishable by imprisonment in a county jail not to exceed 6 months or by a fine of not more than $1,000, or both.

(2) A person who refuses to permit inspection of licensed premises, books, accounts, records, or other documents required by parts 4 through 7 of this chapter or who uses a scale weight ticket or credit sale contract that fails to satisfy the requirements of parts 4 through 7 of this chapter is guilty of a misdemeanor.

**History:** **En. Sec. 20, Ch. 539, L. 1983.**

**80-4-430. Director's enforcement action.** Nothing in parts 4 through 7 of this chapter may be construed to require the director or his authorized representative to report for prosecution or for the institution of civil action a violation if he believes that the public interest will best be served by a suitable warning.

**History:** En. Sec. 21, Ch. 539, L. 1983.

## Part 5

## Warehousemen of Agricultural Commodities

**80-4-501. License necessary to operate public warehouse.** (1) No person may act as a warehouseman without first having obtained an annual license from the department. This requirement does not apply to operators of warehouses that are federally licensed under the United States Warehouse Act.

(2) If a warehouseman operates two or more warehouses in the same city or immediately adjacent thereto or in the same immediate area, in conjunction with each other and with the same work force, and one set of books and records is kept for all such warehouses and cash slips, scale weight tickets, warehouse receipts, and checks of one series are used for agricultural commodities stored therein, only one warehouseman's license is required for the operation of all such warehouses.

**History:** En. Sec. 22, Ch. 539, L. 1983.

**80-4-502. Licenses to warehouseman — issuance — renewal — conditions precedent.** (1) The department is authorized to issue or renew, upon application, a license to any warehouseman for the conduct of a warehouse or warehouses in accordance with parts 5 and 6 of this chapter, provided the following conditions are met:

(a) Each applicant shall file and maintain satisfactory evidence of an effective policy of insurance issued by an insurance company authorized to do business in this state, insuring all agricultural commodities that are stored in the warehouse, including agricultural commodities owned by the warehouseman. The insurance shall insure the commodities for the full market value at the time of loss of such commodities against loss by fire, internal explosion, lightning, or tornado.

(b) Each warehouse must be found suitable for the proper storage of the particular agricultural commodity stored therein.

(c) A license fee must be submitted to the department as prescribed by 80-4-503.

(d) A current drawing of the warehouse, showing storage facilities and capacity of the warehouse, must be submitted to the department.

(e) A sufficient and valid bond must be filed and maintained as required by 80-4-504 and 80-4-505.

(f) The applicant has submitted to the department a current financial statement prepared by a licensed accountant according to generally accepted accounting principles, showing that the applicant has and does maintain current assets equal to or greater than current liabilities. Applicants not having adequate current assets equal to or greater than current liabilities may provide the department with additional bonding, or an equivalent in the form of a certificate of deposit or irrevocable letter of credit, in the amount of $2,000 for each $1,000 of deficit. The bond or equivalent must be in addition to the bond amount required in 80-4-505.

(g) The applicant must submit a sample warehouse receipt and subsequent revisions to the department for approval and filing.

(h) The applicant must have complied with the terms of this part and the rules prescribed thereunder.

(2) All documents required for renewal of a license must be received by the department prior to the expiration date of the warehouse license. An expired warehouse license may be reinstated by the department upon receipt of all required licensing documents and a penalty fee of $50 if the documents are filed within 30 days from the date of expiration of the warehouse license. All license applications received after the 30-day penalty period must be considered original applications and an initial license fee must be assessed according to 80-4-503.

**History: En. Sec. 23, Ch. 539, L. 1983; amd. Sec. 1, Ch. 157, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(f) inserted last two sentences relating to additional bonding if current assets are equal to or greater than liabilities. Amendment effective March 20, 1989.

**80-4-503. Fees of department.** (1) The department shall collect an annual warehouseman license fee, based on the number of warehouses owned by the warehouseman, according to the following schedule:

For each warehouse listed in the application:

| Capacity in Hundredweight | Rate |
|---:|---:|
| 0 to 25,000 | $ 35 |
| 25,001 to 50,000 | 60 |
| 50,001 to 125,000 | 85 |
| 125,001 to 250,000 | 110 |
| 250,001 to 375,000 | 135 |
| over 375,000 | 160 |

(2) The department shall collect a fee of $50 for each initial licensing inspection of a warehouse or station.

(3) The department shall collect a fee of $25 for each amendment of a license.

(4) The department shall collect a fee of $150 a day or fraction thereof for maintaining an employee of the department at a warehouse to supervise the correction of a deficiency.

(5) All fees must be deposited into the state treasury and credited to the general fund account.

**History: En. Sec. 24, Ch. 539, L. 1983; amd. Sec. 4, Ch. 620, L. 1987.**

**80-4-504. Bond of applicant for license — additional bond — additional obligations.** (1) Each applicant for a warehouseman's license shall file a bond or its equivalent, as established by department rule, with the department. The bond must be in such form and must contain such terms and conditions as the department may prescribe by rule to carry out the purpose of this section and 80-4-505.

(2) The department may demand an additional bond if the nature or volume of the business conducted by the warehouseman warrants an increase.

(3) The warehouseman may give a single bond to cover all warehouses operated by him.

(4) Any changes in the capacity of a warehouse or installation of any new warehouse involving a change in the bond liability under 80-4-505 must be reported in writing to the director, and an appropriate bond must be filed prior to the operation thereof.

**History:** **En. Sec. 25, Ch. 539, L. 1983; amd. Sec. 2, Ch. 578, L. 1985.**

**80-4-505. Amount of bond — cancellation.** (1) The amount of the bond to be furnished for each warehouse must be fixed at a rate of 20 cents per hundredweight for the first 500,000 hundredweight of licensed capacity; 15 cents per hundredweight for the next 500,000 hundredweight of licensed capacity; and 10 cents per hundredweight for all licensed capacity over 1 million hundredweight. The amount of the bond may not be less than $20,000 or more than the maximum prescribed in 80-4-405. The licensed capacity is the maximum number of hundredweight of agricultural commodities that the warehouse can accommodate.

(2) If a warehouseman is also operating as a commodity dealer, he shall also provide a bond as prescribed in 80-4-604.

(3) If there occurs a deficiency in net assets as required under 80-4-506, there shall be added to the amount of bond determined in accordance with subsection (1) an amount equal to that deficiency.

(4) Each warehouseman bond shall run continuously with the warehouseman license until canceled by the bonding company. The aggregate liability of the surety may in no event exceed the sum of the bond.

(5) A 60-day written notice must be given to the department by the bonding company before any bond is canceled; however, such cancellation does not terminate any liability of the surety incurred prior to the date of cancellation.

**History:** **En. Sec. 26, Ch. 539, L. 1983; amd. Sec. 3, Ch. 578, L. 1985.**

**80-4-506. Net asset requirements.** (1) Each licensee or applicant for a license shall maintain, above all exemptions and liabilities, total net assets liable for the payment of any indebtedness arising from the conduct of the warehouse or warehouses of at least 40 cents per hundredweight of all agricultural commodities that his warehouse or warehouses can accommodate.

(2) No person may be licensed as a warehouseman unless he has and maintains allowable net assets of at least $10,000.

(3) Assets must be valued at original cost less depreciation, except that upon written request filed with the department, the director may allow asset valuations in accordance with a competent appraisal.

(4) In determining total net assets, credit may be given for insurable property, such as buildings, machinery, equipment, and merchandise inventory, only to the extent that such property is protected by insurance against loss or damage by fire. The insurance must be in the form of lawful policies issued by one or more insurance companies authorized to do business and subject to service of process in suits brought in this state.

(5) If a warehouseman is licensed or applies for licenses to operate two or more warehouses, the maximum number of hundredweight which all such warehouses will accommodate must be considered in determining whether the warehouseman meets the net asset requirements specified in this section.

**History:** **En. Sec. 27, Ch. 539, L. 1983; amd. Sec. 4, Ch. 578, L. 1985.**

**80-4-507 through 80-4-520 reserved.**

**80-4-521. Duties of warehouseman — content of records.** (1) Each warehouseman shall maintain in a safe place current and complete records at all times with respect to all agricultural commodities stored, conditioned, handled, or shipped by him, including agricultural commodities owned by him. Such records must include but are not limited to a daily position record, showing the total quantity of each kind and class of agricultural commodity received and loaded out and the amount remaining in storage at the close of each business day and the warehouseman's total storage obligations for each kind and class of agricultural commodity at the close of each business day.

(2) Every warehouseman purchasing any agricultural commodity from a depositor thereof shall promptly make and keep for 5 years a correct record showing in detail the following information:

(a) the name and address of the depositor;

(b) the date purchased;

(c) the terms of the sale; and

(d) the quality and quantity purchased by the warehouseman and, where applicable, the dockage, tare, grade, size, and net weight.

**History:** **En. Sec. 28, Ch. 539, L. 1983.**

**80-4-522. Schedule of charges — posting.** (1) Before a license to conduct a warehouse is granted, the warehouseman shall file with the director a copy of the schedule of charges for storage and other services. The schedule must be posted in a conspicuous place in his warehouse.

(2) All charges made by any warehouseman for the handling and storage of agricultural commodities must be just and reasonable. However, the director may, upon the complaint of any person or upon his own motion, hold a public hearing and may declare any existing charges for handling or storage of any agricultural commodity to be unreasonable or unjust. After the hearing, the director shall determine and order what is a just and reasonable charge to be imposed or enforced in place of that found to be unreasonable or unjust.

(3) Failure to file and post scheduled charges for the current year will keep in full force the most recently posted and filed schedule rates.

(4) In all cases, the producers will receive the first 15 days of storage without charge.

**History:** **En. Sec. 29, Ch. 539, L. 1983.**

**80-4-523. Required receipt of agricultural commodities according to capacity.** A warehouseman shall receive for storage, conditioning, handling, or shipment without discrimination of any kind, so far as the capacity of his warehouse will permit, all agricultural commodities tendered him in the usual course of business in suitable condition for storage. However, a warehouseman may not be compelled to accept and hold agricultural commodities for storage in such quantities as to block his regular cash agricultural commodity business. A warehouseman may not be required to accept agricultural commodities for storage in excess of working capacity. However, his appointment of space may be modified by rule upon proof that such appointment operates to the disadvantage of either the public or the warehouseman.

**History:** **En. Sec. 30, Ch. 539, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-4-524. Discrimination in charge by warehouseman prohibited.** A warehouseman may not directly or indirectly, by a special charge, rebate, drawback, or other device, collect from any person a greater or lesser compensation for any service rendered in the storage, conditioning, handling, or shipment of agricultural commodities than he collects from any other person for a similar circumstance or condition. A warehouseman may not make or give any advantage to any person, company, or corporation or subject any person, company, or corporation to any undue or unreasonable prejudice or disadvantage.

**History:** **En. Sec. 31, Ch. 539, L. 1983.**

**80-4-525. Scale weight tickets — form — issuance.** (1) Scale weight tickets must be bound in books of convenient size and must be numbered consecutively. The original scale weight ticket must be delivered to the person from whom the agricultural commodities are received. One carbon copy of each scale weight ticket must remain as a permanent record.

(2) A scale weight ticket must be issued for each load of agricultural commodity received by the warehouseman.

(3) A scale weight ticket may not be issued or held in lieu of a warehouse receipt. The retention of scale weight tickets in lieu of warehouse receipts by the owner of the grain is at the owner's risk.

(4) There must be plainly printed across the face of such scale weight ticket issued by the warehouseman, in bold type, the words "THIS IS NOT A WAREHOUSE RECEIPT. IT MUST BE EXCHANGED FOR A WAREHOUSE RECEIPT IF GRAIN IS HELD IN STORAGE".

(5) There must be plainly printed across the face of a combination scale weight ticket and warehouse receipt issued by the warehouseman, in bold type, the words "COMBINATION SCALE WEIGHT TICKET AND WAREHOUSE RECEIPT".

(6) All scale weight tickets must be signed by the warehouseman or his agent.

(7) When scale weight tickets are exchanged for warehouse receipts, the scale weight tickets must be surrendered to the warehouseman.

(8) All scale weight tickets must be converted into cash or warehouse receipts on demand.

**History:** **En. Sec. 32, Ch. 539, L. 1983.**

**80-4-526. Warehouse receipts — written terms.** (1) Warehouse receipts under this part must contain in written terms:

(a) a statement that the warehouse is operated under a license issued by the department;

(b) a statement showing whether it is an original, duplicate, triplicate, or other copy;

(c) a statement showing the name of the warehouse;

(d) a statement showing the name of the city or town where the warehouse is located;

(e) the date the warehouse receipt is issued;

(f) the number of the warehouse receipt. All receipts must be numbered consecutively.

(g) a statement that the grain is "received in store" from the person named;

(h) a statement of gross weight, dockage, and net weight and the sample report used for grade and protein analysis;

(i) a statement of encumbrances, such as cash or other advances;

(j) a statement that, upon the return of the receipt properly endorsed by the person to whom the order was issued and the payment of the proper charges for storing and handling, delivery will be made in accordance with this part;

(k) a statement that the grain is properly insured for the benefit of the owner; and

(l) the name of the manager or agent of the warehouse.

(2) The face of the warehouse receipt may also provide for other statements, such as:

(a) the scale weight ticket numbers or the assembly sheet number;

(b) the grade; and

(c) the protein certificate used.

(3) The back of the warehouse receipt may include printed statements, such as:

(a) delivery provisions;

(b) actual-delivery-of-grain provisions;

(c) bailment provisions;

(d) act-of-God provisions;

(e) nonnegotiable provisions; and

(f) endorsements and other statements pertinent to bookkeeping data whenever such statements do not conflict with any state or federal law pertaining to public warehousing or the grading or testing of grain.

(4) A copy of the warehouse receipt issued by the warehouseman must accompany each application for a warehouseman's license.

**History: En. Sec. 33, Ch. 539, L. 1983.**

**80-4-527. Warehouse receipt — issuance.** (1) A warehouse receipt is a receipt issued by a licensed warehouseman on a form containing all the information required by 80-4-526.

(2) No warehouse receipt may be issued except for an agricultural commodity actually delivered to a warehouse for storage.

(3) All warehousemen are required to issue a warehouse receipt for each lot of agricultural commodity received for storage or make payment for the agricultural commodity.

(4) A warehouse receipt that does not in fact represent an agricultural commodity actually delivered into a warehouse for storage and the origin of which cannot be traced to the actual delivery of the grain represented:

(a) is not legal and is of no value;
(b) has no claim on the agricultural commodity stored in a warehouse; and
(c) has no claim on the warehouseman's bond.

(5) All agricultural commodities in a warehouse belong to the holder of outstanding warehouse receipts except those commodities that are in excess of the total of all outstanding storage obligations. An outstanding warehouse receipt is a warehouse receipt that has not been returned and paid in full on the basis of grade, quality, and quantity by the warehouseman issuing it.

(6) If for convenience the holder of two or more warehouse receipts covering like agricultural commodities wishes to combine them, the new receipt so issued must state the fact that it was issued in lieu of existing receipts. An assembly or recapitulation statement must be made whenever receipts are so combined, and the number or other identification of the statement must be referenced on the new combined receipt. The assembly sheet must be kept on file in the warehouse office. Each canceled receipt must have stamped across its face "Canceled by No. __" (showing the number of the new combination receipt).

(7) A warehouseman who is a grower and conducts such an enterprise may receive his own grain and issue warehouse receipts for agricultural commodities, in the same manner and without discrimination, as though the warehouse and growing enterprises were of separate ownership. However, the warehouseman shall report to the department all warehouse receipts issued to himself as a grower.

(8) When warehouse receipts are prepared on duplicate or triplicate forms, the original copy is the warehouse receipt and must be given to the person storing the agricultural commodity covered by such receipt. The other copies shall have plainly printed across the face the words "duplicate", "triplicate", or "nonnegotiable".

(9) Each warehouse receipt issued must show the amount of cash or value of any merchandise the warehouseman has advanced on the agricultural commodity represented by the receipt, but such notation may not be construed as fixing the date of sale of such grain.

(10) All warehouse receipts must be numbered consecutively as issued by each warehouseman.

**History:** **En. Sec. 34, Ch. 539, L. 1983.**

**80-4-528. Penalty for unlawful issue of warehouse receipts.** A person violating any of the provisions of 80-4-527 or a designated employee knowingly permitting any agricultural commodity to be delivered contrary to the provisions of 80-4-527 is guilty of a misdemeanor and punishable as provided in 80-4-429.

**History:** **En. Sec. 35, Ch. 539, L. 1983.**

**80-4-529. Partial withdrawal of agricultural commodities — adjustment or substitution of receipt — duties of warehouseman.** When partial withdrawal of his agricultural commodity is made by a depositor, the warehouseman shall make an appropriate notation thereof on the depositor's warehouse receipt or claim or shall cancel and replace it with a warehouse receipt showing the amount of the depositor's agricultural commodity remaining in the warehouse. The warehouseman is liable for the redelivery of all agricultural commodities specified on all outstanding warehouse receipts.

**History:** En. Sec. 36, Ch. 539, L. 1983.

**80-4-530. Shipment of stored grain to a terminal grain warehouse outside the state.** (1) Warehouse receipts or signed agreements from the owners of grain, on a form approved by the department and in an amount equal to the number of bushels the warehouseman has in a terminal grain warehouse outside the state, are required for all grain shipped out of state by a warehouseman.

(2) Warehouse receipts covering grain in terminal grain warehouses outside the state must have the words "Owner waives redelivery at point of origin of grain represented by this receipt" printed or stamped on the back.

(3) Waivers or agreements to accept terminal warehouse receipts must be signed in triplicate by the owner of the grain or his agent and by a duly authorized representative of the warehouse, with:

(a) the original to be mailed to the department;

(b) the duplicate copy to be retained by the warehouseman; and

(c) the triplicate copy to be given to the holder of the warehouse receipt.

(4) All grain must be held in bonded and approved terminal warehouses, fully insured for the benefit of the holder of Montana warehouse receipts.

(5) No grain held in terminal warehouses is subject to any lien, mortgage, or encumbrance.

**History:** En. Sec. 37, Ch. 539, L. 1983.

**80-4-531. Duty to deliver stored agricultural commodities — weights and inspections — modifying agreements — damages.** (1) The duty of the warehouseman to deliver agricultural commodities stored is governed by this part. Upon the return of a properly endorsed warehouse receipt to the warehouseman and upon payment or tender of all advances and legal charges, agricultural commodities of the grade and quantity named therein must be delivered to the holder of the warehouse receipt.

(2) The holder of the warehouse receipt is entitled to an official inspection, as specified by the federal grain inspection service in the regulations implementing the United States Grain Standards Act. Inspections other than official must be agreed to in writing by the warehouseman and the holder of the warehouse receipt.

(3) (a) The holder of a warehouse receipt is entitled to class X or Y weights or better, as specified by the federal grain inspection service in the regulations implementing the United States Grain Standards Act.

(b) In the event an approved class X or Y weight is unavailable at the warehouse of origin, the following weights take precedence in this order:

(i) destination official or certified class X or Y or better; or

(ii) railroad track scale weights.

(4) The parties to a storage agreement are bound by an agreement made under this section and intended to supplement or modify the optional sections of the warehouse receipt if the agreement offer is made in writing and the

receiving party fails to reject the offer in writing within 10 days of receipt of the written offer. In order to be valid, the agreement offer must state in boldface type that the receiving party has 10 days to reject the offer.

(5) A warehouseman's duty to deliver any agricultural commodity is fulfilled if delivery is made pursuant to the contract with the depositor as rapidly as it can be done by ordinary diligence. When delivery is made within 48 hours from date of demand or as agreed upon in writing by all parties concerned, the delivery complies with the provisions of this section. An extension of the delivery period may be granted by the department upon written request.

(6) All redeliveries must be made at the warehouse or station where the agricultural commodity was received unless otherwise agreed.

(7) At the option of the depositor, the warehouseman shall deliver the agricultural commodity at a terminal or, if mutually agreed, shall pay to the depositor the equivalent market value of the agricultural commodity on that date, less any freight and storage charges to the terminal and less other charges which may be allowed by the department.

(8) In addition to other penalties provided, a warehouseman failing to deliver agricultural commodities within the time provided in this section is subject to suit by the person entitled to delivery of the agricultural commodities and may be ordered by a court of competent jurisdiction to pay actual damages or liquidated damages of ½ of 1% of the value for each day's delay.

**History: En. Sec. 38, Ch. 539, L. 1983; amd. Sec. 1, Ch. 297, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (2) relating to official inspection entitlement; inserted (3) establishing class X or Y weight entitlement or alternatives; and inserted (4) regarding binding storage agreements.

**80-4-532. Delivery of grain from different warehouse.** (1) Any warehouseman owning or operating more than one warehouse in this state may deliver grain from one warehouse in settlement of warehouse receipts issued for grain stored in another warehouse when grain for storage has been presented at any warehouse in excess of its available storage capacity.

(2) Nothing in subsection (1) confers upon the warehouseman a right to make delivery of grain of substantially lower value than that delivered for storage, though of the same technical grade, in settlement of warehouse receipts.

(3) The warehouseman shall at all times keep on hand in bonded warehouses grain of sufficient quality and quantity to settle all outstanding warehouse receipts.

(4) Freight and other charges must be determined at the point of receipt.

**History: En. Sec. 39, Ch. 539, L. 1983.**

**80-4-533. Loss of receipts — conditions of reissue.** While an original warehouse receipt is outstanding and uncanceled by the issuing warehouseman, no other or further receipt may be issued for the agricultural commodity or any part of it covered thereby. However, if a warehouse receipt is lost or destroyed, a new receipt may be issued upon giving satisfactory security in compliance with rules adopted by the department. The new receipt must contain the same terms and conditions and must bear on its face the number and date of the receipt in lieu of which it is issued.

**History: En. Sec. 40, Ch. 539, L. 1983.**

**80-4-534. Cancellation of insurance — suspension of license.** Upon cancellation of any policy of insurance required by 80-4-502 and 80-4-506, the insurance company involved shall give 30 days' advance notice to the department by certified mail, return receipt requested, of cancellation of the policy. If the policy is canceled, the department shall immediately suspend the license of such uninsured warehouseman without a hearing, pursuant to the Montana Administrative Procedure Act. The suspension may not be removed until satisfactory evidence of the existence of an effective policy of insurance complying with the requirements of 80-4-502 and 80-4-506 has been submitted to the department or until further order by the department or a court of competent jurisdiction.

**History: En. Sec. 41, Ch. 539, L. 1983.**

**80-4-535. Date of termination of storage contracts evidenced by warehouse receipts.** All storage contracts on grain in store in warehouses, as evidenced by a warehouse receipt, must terminate on the last day of the license period as prescribed by rule.

**History: En. Sec. 42, Ch. 539, L. 1983.**

**80-4-536. Termination of storage contract — sale of agricultural commodities for charges — notice required.** (1) Storage of agricultural commodities may be terminated by the depositor at any time by the payment or tender of all legal charges and the surrender of the warehouse receipt, together with a demand for delivery of the agricultural commodities or a notice to the warehouseman to sell the commodities.

(2) In the absence of a demand for delivery, order to sell, or mutual agreement for the renewal of the storage contract entered into prior to the expiration of the storage contract, the warehouseman shall, upon the expiration of the storage contract, sell so much of the stored agricultural commodities at the local market price at the close of business on that day as is sufficient to pay the accrued storage charges. He shall then issue new warehouse receipts for the balance of the agricultural commodity to the depositor upon the depositor's surrender of the original warehouse receipts. The warehouseman shall notify all warehouse receipt holders of the provisions of this section 30 days prior to the end of the storage period.

**History: En. Sec. 43, Ch. 539, L. 1983.**

**80-4-537. Examination of stored agricultural commodities.** A department inspector may examine at any reasonable time during ordinary business hours any stored agricultural commodity and all parts of any warehouse, provided the warehouse or the agricultural commodities stored therein are not endangered by such inspections. Every warehouseman or his agent shall furnish safe and reasonable access to facilities for such examination.

**History: En. Sec. 44, Ch. 539, L. 1983.**

**80-4-538. Warehouse shortage — remedies.** (1) Whenever it appears, after an investigation, that a warehouseman does not have in his possession sufficient agricultural commodities to cover the outstanding warehouse receipts, scale weight tickets, or other evidence of storage liability issued or assumed by him or when a warehouseman refuses to submit his books, papers, or property to lawful inspection, the department may give notice to the warehouseman to comply with the following requirements:

(a) to cover such shortage;

(b) to give an additional bond as requested by the department; or

(c) to submit to such inspection as the department considers necessary.

(2) If the warehouseman fails to comply with the terms of such notice within 24 hours from the date of issuance of the notice or within such further time as the department may allow, the department may petition the district court in the county where the licensee's principal place of business is located, as shown by the license application, for an order:

(a) authorizing the department to seize and take possession of any or all agricultural commodities in the warehouse or warehouses owned, operated, or controlled by the warehouseman and of all books, papers, and property of all kinds used in connection with the conduct or the operation of the warehouse business and any materials that pertain in any way to that business; and

(b) enjoining the warehouseman from interfering with the department in the discharge of its duties as required by this part.

(3) Upon taking possession, the department shall give written notice of its action to the surety on the bond of the warehouseman and may notify the holders of record, as shown by the warehouseman's record, of all warehouse receipts or scale weight tickets issued for agricultural commodities to present their warehouse receipts or other evidence of deposits for inspection or to account for the same. The department may thereupon cause an audit to be made of the affairs of the warehouse, including but not limited to the agricultural commodities of which there is an apparent shortage, to determine the amount of shortage and, if possible, to compute the shortage as to each depositor as shown by the warehouseman's records. The department shall notify the warehouseman and the surety on his bond of the amount of the shortage and notify each affected depositor by sending notices to the depositor's last-known address as shown by the records of the warehouseman.

(4) The department shall retain possession of the agricultural commodities in the warehouse or warehouses and the books, papers, and property of the warehouseman until such time as:

(a) the warehouseman or the surety on the bond has satisfied the claims of all holders of warehouse receipts or other evidence of deposits;

(b) the surety on the bond has satisfied all such claims pro rata, if the shortage exceeds the amount of the bond; or

(c) the department is ordered by the court to surrender possession.

(5) If during or after the audit provided for in this section or at any other time the department has evidence that the warehouseman is insolvent or is unable to satisfy the claims of all holders of warehouse receipts or other evidence of deposits, the department may petition the district court for the appointment of the department to operate or liquidate the business of the warehouse.

(6) At any time within 10 days after the department takes possession of any agricultural commodities or the books, papers, or property of any warehouse, the warehouseman may serve notice on the department to appear in the district court of the county in which the warehouse is located, at a time to be fixed by the court, and show cause why the agricultural commodities, books, papers, and other property should not be restored to his possession.

(7) All necessary expenses incurred by the department in carrying out the provisions of this section may be recovered in a separate civil action brought by the department in district court or recovered at the same time and as part of the seizure action filed under subsection (2)(a).

(8) As a part of the expenses so incurred, the department is authorized to include the cost of adequate liability insurance necessary to protect the department, its officers, and others engaged in carrying out this section.

(9) The department shall set by rule the time limits for:

(a) notification of its action on the surety bond of a warehouseman;

(b) the holders of warehouse receipts or scale weight tickets to provide to the department such evidence of deposit; and

(c) satisfaction of the claims of all holders of warehouse receipts or other evidence of deposits.

**History: En. Sec. 45, Ch. 539, L. 1983.**

**80-4-539. Inspection by the department.** (1) The department may investigate any warehouseman who has applied for or who had previously been issued a license and may inspect his warehouse for purposes of determining compliance with this part and rules of the department.

(2) The department may investigate any warehouseman or inspect any warehouse that it has reasonable cause to believe is operating in violation of this part and rules of the department.

**History: En. Sec. 46, Ch. 539, L. 1983.**

## Part 6

## Agricultural Commodity Dealers

**80-4-601. Commodity dealer license requirements — financial responsibility.** (1) A person may not engage in the business of a commodity dealer in this state without first having obtained a license issued by the department.

(2) An application for a license to engage in business as a commodity dealer must be filed with the department and must be on a form prescribed by the department.

(3) A license application must include the following:

(a) the name of the applicant;

(b) the names of the officers and directors if the applicant is a corporation;

(c) the names of the partners if the applicant is a partnership;

(d) the location of the principal places of business;

(e) a sufficient and valid bond as specified in 80-4-604;

(f) the number and description of trucks or tractor-trailer units owned or leased by the applicant that will be used in the transportation of agricultural commodities purchased pursuant to the provisions of this part;

(g) a complete financial statement prepared by a licensed accountant according to generally accepted accounting principles, setting forth the applicant's assets, liabilities, and net worth. The commodity dealer shall have and maintain current assets equal to or greater than current liabilities. Applicants not having adequate current assets equal to or greater than current liabilities may provide the department with additional bonding, or an equivalent in the form of a certificate of deposit or irrevocable letter of credit, in the amount of $2,000 for each $1,000 of deficit. The bond or equivalent must be in addition to the bond amount required in 80-4-604.

(h) any other reasonable information the department finds necessary to carry out the provisions and purpose of this part.

(4) In order to receive and retain a commodity dealer's license, a commodity dealer shall have and maintain net assets of at least $50,000 or maintain a bond in the amount of $2,000 for each $1,000 or fraction thereof of net assets deficiency. However, a minimum of $10,000 net assets is required by a commodity dealer to qualify for a license. Assets must be shown at original cost less depreciation, except that upon written request filed with the department, the director may allow asset valuations in accordance with a competent appraisal. In determining total net assets, credit may be given for insurable property, such as buildings, machinery, equipment, and merchandise inventory, only to the extent that such property is protected by insurance against loss or damage by fire. The insurance must be in the form of lawful policies issued by one or more insurance companies authorized to do business and subject to service of process in suits brought in this state. A bond submitted for purposes of this subsection is in addition to any bond otherwise required under this part.

(5) The department shall adopt rules relating to the form and time of filing of financial statements. The department may require additional information or verification regarding the financial resources of the applicant and the applicant's ability to pay producers for agricultural commodities purchased from them.

**History: En. Sec. 47, Ch. 539, L. 1983; amd. Sec. 5, Ch. 578, L. 1985; amd. Sec. 2, Ch. 157, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (3)(g) inserted last two sentences relating to additional bonding if current assets are equal to or greater than liabilities and deleted the following and inserted it at end of (4): "Assets must be shown at original cost less depreciation, except that upon written request filed with the department, the director may allow asset valuations in accordance with a competent appraisal. In determining total net assets, credit may be given for insurable property, such as buildings, machinery, equipment, and merchandise inventory, only to the extent that such property is protected by insurance against loss or damage by fire. The insurance must be in the form of lawful policies issued by one or more insurance companies authorized to do business and subject to service of process in suits brought in this state." Amendment effective March 20, 1989.

**80-4-602. License fees.** (1) The department shall collect an annual fee for each commodity dealer license according to the following schedule:

| Hundredweight (Previous license year cwt volume or estimated yearly cwt) | Rate (per facility) |
|---|---|
| 0 to 25,000 | $ 35 |
| 25,001 to 50,000 | 60 |
| 50,001 to 125,000 | 85 |
| 125,001 to 250,000 | 110 |
| 250,001 to 375,000 | 135 |
| over 375,000 | 160 |

(2) Each applicant shall also pay a fee of $25 for each truck operated by it in the operation of its business as a commodity dealer.

(3) All fees collected under this section must be placed in the general fund.

**History: En. Sec. 48, Ch. 539, L. 1983; amd. Sec. 5, Ch. 620, L. 1987.**

**80-4-603. License issuance — renewal — expiration.** (1) The department shall issue a license when the applicant has filed the application and complied with the terms and conditions of this part and the rules of the department.

(2) A commodity dealer's license may be renewed annually by submitting all required licensing documents.

(3) A commodity dealer's license that has expired may be reinstated by the department upon receipt of all licensing documents required and a penalty fee in the amount of $50 if the document is filed within 30 days from the date of expiration of the commodity dealer's license. At no time during the 30-day period or thereafter may the person act as a commodity dealer. All license applications received after the 30-day penalty period must be considered original applications.

(4) A commodity dealer's license is not transferable.

(5) Any partnership with a partner or any corporation that has an officer, director, or majority stockholder owning at least 10% of issued stock who has had a license revoked under this part or the United States Warehouse Act is subject to the provisions of 80-4-421.

**History: En. Sec. 49, Ch. 539, L. 1983.**

**80-4-604. Bonding requirement amounts — cancellation.** (1) An applicant for a license to operate as a commodity dealer shall, before a license may be issued, file with the department a surety bond or its equivalent, as established by department rule, payable to the state. The aggregate annual liability of the surety may not exceed the sum of the bond.

(2) Unless set by department rule, the bond for a commodity dealer may not exceed 2% of the value of the agricultural commodities purchased by the commodity dealer from the producer during the previous 12-month period. The bond for all new applicants is 2% of the estimated value of all agricultural commodities to be purchased during the coming 12-month period. The department may by rule require a greater percentage in each instance. The minimum amount of bond required by any commodity dealer is $20,000, and the maximum is prescribed in 80-4-405.

(3) A surety shall notify the commodity dealer and the department by certified mail at least 60 days prior to the cancellation of the bond. The liability of the surety covers purchases made by the commodity dealer during the time the bond is in force. A commodity dealer's bond filed with the department is continuous until canceled by the surety upon 60 days' notice; however, such cancellation does not terminate any liability of the surety incurred prior to the date of cancellation.

**History: En. Sec. 50, Ch. 539, L. 1983; amd. Sec. 6, Ch. 578, L. 1985.**

**80-4-605. Posting of license.** The commodity dealer's license must be posted in a conspicuous location at his place of business. A duplicate commodity dealer's license must be posted at each location at which records are maintained for transactions of the commodity dealer and also within each truck operated by him in the state.

History: En. Sec. 51, Ch. 539, L. 1983.

**80-4-606. Inspection of premises, books, and records.** The department may at any reasonable time inspect the premises and records of any commodity dealer used in the conduct of his business. A commodity dealer shall, upon request of the director, furnish to the department at any reasonable time and place all books, accounts, records, and papers relating to agricultural commodity transactions within the state. If there exists good cause to believe that a person is doing business as a commodity dealer without a license, the department may inspect the books, papers, and records of the person that pertain to agricultural commodity purchases.

History: En. Sec. 52, Ch. 539, L. 1983.

**80-4-607. Insufficient checks — prohibition.** No person engaged in business as a commodity dealer may draw or deliver any check, draft, or order for payment of money upon any bank for the purchase of agricultural commodities when at the time of drawing or delivery the maker or drawer does not have sufficient funds or has failed to arrange for credit with the bank or depository for payment in full upon presentation of the check, draft, or order for payment of money. The word "credit" as used in this section means an arrangement or understanding with the bank or depository for payment of the check, draft, or order.

History: En. Sec. 53, Ch. 539, L. 1983.

**80-4-608. Payment of purchase price — definitions.** (1) A person required to be licensed as a commodity dealer shall pay 90% of the purchase price to the owner or his agent for agricultural commodities upon delivery and demand by the owner or agent and the remaining 10% not later than 30 days after delivery by the owner or agent unless otherwise agreed to in writing by the parties.

(2) As used in this section, the following definitions apply:

(a) "Delivery" means the transfer by the seller of title to and possession of agricultural commodities to the commodity dealer or to another person in accordance with the agreement between the seller and the commodity dealer.

(b) "Payment" means the actual payment or tender of payment of the agreed purchase price by the commodity dealer to the seller.

History: En. Sec. 54, Ch. 539, L. 1983.

## Part 7

## Grain Inspection and Grading

**80-4-701. Official grain inspectors, samplers, and weighers — designation of seasonal inspection points — assignment of inspectors.** (1) The department shall provide inspectors, samplers, and weighers to enforce this part. At all inspection points designated by the department, the department shall provide sufficient official grain inspectors, samplers, and weighers to inspect and weigh all grain subject to state inspection.

(2) The department may, during the grain-marketing season, appoint inspectors to visit the grain-growing districts to investigate the grading, dockage, and weighing of grain and to enforce the rules of the department.

(3) Expenditures for the inspection and weighing at the points designated by the department may not exceed total fee receipts at those points.

**History:** **En. Sec. 55, Ch. 539, L. 1983.**

**80-4-702. Qualifications of official grain inspectors, samplers, and weighers.** Official grain inspectors, samplers, and weighers must be qualified in accordance with the Grain Standards Act. Official grain inspectors, samplers, and weighers may not be directly or indirectly interested in the handling, sorting, shipping, purchasing, or selling of grain or grain commodities.

**History:** **En. Sec. 56, Ch. 539, L. 1983.**

**80-4-703. Penalty for misconduct.** (1) Any official grain inspector, sampler, or weigher guilty of neglect of duty or who knowingly or carelessly inspects, samples, or weighs grain improperly or who directly or indirectly accepts any money or other consideration for neglect of duty or improper performance of duty is guilty of official misconduct and is punishable as provided in 45-7-401.

(2) Any person who improperly influences or attempts to improperly influence any official grain inspector, sampler, or weigher in the performance of his duties is guilty of bribery and is punishable as provided in 45-7-101.

(3) Upon conviction of an offense described in subsection (1), an officer must be removed by the department pursuant to procedures established by department rule.

**History:** **En. Sec. 57, Ch. 539, L. 1983.**

**80-4-704. Establishment of standard grain grades.** (1) The department shall by rule establish standard grades to apply to all grain bought or handled by warehouses in this state. The department shall adopt as state grade standards all grades for grain established by the United States department of agriculture.

(2) Grain standards adopted by the department do not apply to grain contracted for before the effective date of the adoption of such standards.

**History:** **En. Sec. 58, Ch. 539, L. 1983.**

**Cross-References**

U.C.C. — exclusion of warranties as to disease-free seed, 30-2-316.

**80-4-705. Rules governing dockage — sample inspection.** The department shall adopt rules governing the dockage on inferior grades, which shall apply in all executory contracts entered into after their adoption. If the price or amount to be paid depends on terminal weight or grade, the rules shall control the dockage insofar as dockage affects the price to be paid. The department shall also provide for sample inspection of grain, adopt rules governing sample inspection, and provide that the sample inspection, when made, is final.

**History:** **En. Sec. 59, Ch. 539, L. 1983.**

**80-4-706. Special inspection of grain.** (1) If grain is sold based on Montana grade and is to be shipped from places not provided with state inspection, the buyer, seller, or person making the delivery may have it inspected by notifying an inspector, who shall have the grain inspected. After inspection, the inspector shall issue, on request of the buyer, seller, or person delivering the grain, an inspector's certificate showing the grade of the grain. The person calling for the inspection shall pay a reasonable fee fixed by department rule.

(2) Grain that is shipped to points in this state where no inspection is maintained may be inspected on request of either the buyer or seller, and a certificate may be issued showing the grade of the grain. The charge for the service shall at least equal the entire cost of providing it and shall be paid by the party calling for the inspection.

**History: En. Sec. 60, Ch. 539, L. 1983.**

**80-4-707. Sampling grain.** Samples may be drawn from all grain shipped to warehouses and from all grain inspected or weighed. The samples are the property of the state, subject to disposition by the department under rules adopted by the department.

**History: En. Sec. 61, Ch. 539, L. 1983.**

**80-4-708. Examination of grain cars at destination.** (1) An official grain inspector, sampler, or weigher, before opening the doors of a car containing grain upon its arrival at any of the places designated by the department for inspection, shall first ascertain the condition of the car and determine whether any leakages have occurred while the car was in transit, determine whether the doors were properly secured and sealed at the point of shipment, and make a record of those facts in all cases, giving seal numbers.

(2) After examinations have been made, the official grain inspector, sampler, or weigher shall securely close and reseal the opened doors, using the special seal of the department.

(3) A record must be kept by the official grain inspectors, samplers, or weighers of all original seals broken, the number of seals, and the date when broken. An official grain inspector, sampler, or weigher shall break the seal, weigh, and superintend the loading of all cars of grain subject to inspection. Any other person who breaks the seal or officially weighs the cars of grain is guilty of a misdemeanor.

**History: En. Sec. 62, Ch. 539, L. 1983.**

**80-4-709. Protein testing laboratory.** (1) The department shall maintain an official protein testing laboratory so designated by the Grain Standards Act.

(2) No other laboratory may officially certify the grade or protein content of grain unless the laboratory is licensed by the department under rules adopted by the department.

(3) The department shall by rule determine the standards of analysis controlling all other official protein testing laboratories in this state.

(4) The department may by rule determine the form of protein certificates issued by it.

**History: En. Sec. 63, Ch. 539, L. 1983.**

**80-4-710. Protein test available on all grain delivered to grain warehouses — manner of making test — procedure — fee — penalty.** (1) Each warehouseman shall take samples from each load of grain delivered to his warehouse and preserve the sample in a moistureproof container with the owner's name on it. A 1-pint portion of the composite sample may be submitted to the department, and the balance must be held in the owner's container.

(2) If either the warehouseman or owner is dissatisfied with the results of the protein tests, he may appeal to the department. In case of an appeal, a 1-pint portion of the remainder of the owner's sample must be submitted to the department with a statement of facts of the appeal. A final test, in duplicate, must be made by the department. The department's certificate of the test is final and binding upon both parties in establishing the basis of the price paid by the warehouseman.

(3) A fee established by the department commensurate with the cost of each protein test must be deducted and paid at the time of final settlement.

(4) Upon written request of the owner, an official protein test must be made.

(5) Each warehouseman shall post in a conspicuous place a placard indicating that producers may request, in writing, an official grade and protein certificate. The department shall issue the placard.

(6) A person violating this section is guilty of a misdemeanor.

**History:** En. Sec. 64, Ch. 539, L. 1983.

**80-4-711 through 80-4-720 reserved.**

**80-4-721. Fees for inspection, testing, and weighing grain — disposition — investment.** (1) The department shall by rule fix the fees for inspection, testing, and weighing of grain.

(2) Payment of the fees referred to in subsection (1) must be divided equally between the warehouseman and the holder of the warehouse receipt.

(3) Those fees or proceeds are a lien upon the grain until paid.

(4) All fees and other charges fixed by rule, including fees for the inspection, grading, weighing, and protein testing of grain, shall reflect as nearly as possible the actual cost of the services.

(5) All those fees and charges must be paid to the department and deposited with the state treasurer. The state treasurer shall place all money in the state special revenue fund. Fees deposited in the state special revenue fund may be used to pay approved claims for expenses incurred in inspecting, grading, weighing, and protein testing of grain.

(6) The department may direct the board of investments to invest funds from the state special revenue fund pursuant to the provisions of the unified investment program for state funds. The income from such investments must be credited to the proper department account in the state special revenue fund.

**History:** En. Sec. 65, Ch. 539, L. 1983; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 2, Ch. 297, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Inserted (2) providing for equal division of fees between the warehouseman and holder of the warehouse receipt.

**80-4-722. Records of inspection.** (1) The official grain inspectors, samplers, and weighers have exclusive control at places provided for state inspection of the weighing and grading of grain to be inspected. Suitable books and records must be kept in which must be entered an accurate record of every carload or truckload of grain inspected or weighed by them. The records must show for each car or truck:

(a) the number or other designation of the car or truck;

(b) the net weight of the grain;

(c) the kind of grain and its grade and, if graded below standard No. 1 grade, the reason for such grade.

(2) For each carload or truckload of grain, the official grain inspector shall give a certificate of inspection, showing the kind and grade of the grain, the reason for all grades below No. 1, and the amount to be allowed for dockage, if any. For each carload or truckload weighed, the weigher shall give a weight certificate showing the true weight thereof and containing a statement on the condition of the car or truck and evidences of leakage or damage, if any.

(3) The inspection and weight certificates must be made available to the warehouse loading or unloading the grain, the shipper or his agent, and the railroad company or other carrier by which the grain was shipped or carried.

(4) Official grain inspectors and weighers shall also keep an accurate record of all appeals and decisions and a complete record of every official act, which books and records must be open to inspection by any party of interest.

**History:** **En. Sec. 66, Ch. 539, L. 1983.**

**80-4-723. Appeals to department — hearing and order.** (1) If an owner, consignee, shipper of grain, or warehouseman disagrees with the grade given by the department, he may appeal to the department from the decision within 5 days from the date of certificate by giving notice of appeal. A fee must be charged if the appeal supports the original grade. The notice of appeal may be given by letter stating that the party appeals from the decision of the official grain inspector and specifying the initials and numbers of the cars in which the grain was contained when inspected and graded.

(2) The appellant shall also file with the department a list containing the name and address of each party interested in the subject matter. The department, upon receiving the notice and list of interested parties, shall immediately notify the interested parties of the time and place designated by it for a hearing under the Montana Administrative Procedure Act. At the hearing, which must be 5 days from the date of receiving the notice, the department shall inquire into the reasonableness and correctness of the original grading. After the hearing, the department shall affirm or modify the grade as justified by the facts and evidence.

**History:** **En. Sec. 67, Ch. 539, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-4-724. Coloration of grain treated with injurious or toxic substances.** Any grain treated with any injurious or toxic substance or chemical must at the same time be colored or dyed a color contrasting with the natural color of the grain so that the treated grain is readily identifiable as having been treated with an injurious or toxic substance or chemical.

**History:** **En. Sec. 68, Ch. 539, L. 1983.**

**80-4-725. Sale or offering for sale of treated product prohibited.** No person may sell or offer for sale grain that has been treated with any injurious or toxic substance or chemical unless the grain has been colored or dyed a color contrasting with the natural color of the grain. Section 80-4-724 and this section do not apply to the treatment of grain solely for the killing of insects which might be present therein. A person violating this section is guilty of a misdemeanor.

**History:** **En. Sec. 69, Ch. 539, L. 1983.**

**80-4-726. Copies of grades and rules to be furnished and displayed by warehousemen.** (1) The department shall, immediately after the adoption of rules establishing grades fixing dockage, supply all warehousemen with a copy of the grades and rules. A warehouseman shall keep a copy on file in a convenient place in each warehouse. If an office is maintained in connection with the warehouse, a copy of the grades and rules shall be kept on file in the office. A placard notice must be posted in a conspicuous place in every warehouse and office, reading "A copy of Montana grades and rules is on file here for information of interested parties".

(2) A warehouseman shall exhibit a copy of the grades and rules to any interested party at any warehouse or office and permit the interested party to examine the copy.

**History:** **En. Sec. 70, Ch. 539, L. 1983.**

**80-4-727. Dispute as to grade or dockage — laboratory test to be made.** If a disagreement arises between the party receiving and the party delivering the grain at any warehouse in this state as to the proper grade or dockage of grain in accordance with standards at terminal points, an agreed average sample of at least 1 quart of the grain in dispute may be taken by the interested parties and forwarded to the department in a suitable container, marked for identification by the interested parties, mail or express charges prepaid, with the names and addresses of the parties affixed thereto. The department shall examine the grain and determine the appropriate grade and dockage under the inspection rules. The findings of the inspection are binding upon both parties, subject to appeal as provided in 80-4-723. If the grain in question is damp, musty, or otherwise out of condition, this fact, with any other necessary information, must accompany the sample.

**History:** **En. Sec. 71, Ch. 539, L. 1983.**

# CHAPTER 5

# AGRICULTURAL SEED

## Part 1 — Seed Labeling

80-5-101. Repealed.
80-5-102. Labeling of agricultural seeds.
80-5-103. Exchange of seed between labelers.

80-5-104. Labeling of vegetable, flower, and indigenous seeds.
80-5-105. Prohibitions.
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80-5-108. Analysis by seed laboratory — reports.
80-5-109. Testing of submitted samples.
80-5-110. Laboratory testing of samples — fees.
80-5-111. Certificate of test presumptive evidence.
80-5-112. Enforcement — rules.
80-5-113. Penalty.
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80-5-120. Definitions.
80-5-121. Inspection.
80-5-122. Publication of reports.

### Part 2 — Seed Dealers, Processors, and Warehousemen

80-5-201. Repealed.
80-5-202. Licensing — application — fee.
80-5-203. Repealed.
80-5-204. Screenings — restrictions on movements.
80-5-205. Violations.
80-5-206. Rules — promulgated by department.
80-5-207. Violation — cancellation of license — enforcement proceedings.
80-5-208. Deposit of funds.

### Part 3 — Certification

80-5-301. Application of sections.
80-5-302. Rules by Montana state university — certification agencies.
80-5-303. Certification work on self-supporting basis.
80-5-304. Withholding certification.
80-5-305. Unlawful use of certification — penalty.

### Part 4 — Seed Potato Disease Control Act

80-5-401. Short title.
80-5-402. Definitions.
80-5-403. Imported seed potatoes — restrictions — exceptions — quarantine.
80-5-404. Planting noncertified seed potatoes prohibited in certain counties — restrictions — exceptions.
80-5-405. Enforcement — penalty.

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**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Vehicle loaded with perishable agricultural seeds — when authorities may restrict right to use roadway, 61-10-128.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

## Part 1

## Seed Labeling

**Part Cross-References**

Definitions relating to agricultural seed, 80-5-120.

**80-5-101. Repealed.** Sec. 19, Ch. 373, L. 1987.

**History: En. Sec. 1, Ch. 361, L. 1969; amd. Sec. 1, Ch. 390, L. 1973; R.C.M. 1947, 3-802.1; amd. Sec. 1, Ch. 464, L. 1983.**

**80-5-102. Labeling of agricultural seeds.** Any person offering for sale a package, parcel, or lot of agricultural seeds, as defined in 80-5-120, that contains 1 pound or more of agricultural seeds, whether in package or in bulk, must have affixed to it a label specifying:

(1) a lot number or other distinguishing mark;

(2) kind. The name of each kind of seed present in excess of 5% shall be shown on the label and need not be accompanied by the word "kind". When two or more kinds of seed are named on the label, the name of each kind shall be accompanied by the percentage of each. When only one kind of seed is present in excess of 5% and no variety name or type designation is shown, the percentage of that kind may be shown as "pure seed" and such percentage shall apply to seed of the kind named.

(3) variety, as follows:

(a) the following kinds of agricultural seeds shall be labeled to show the variety name or the words "variety not stated":

alfalfa
barley
bean, field
beet, field
brome, smooth
clover, crimson
clover, red
oat
pea, field
rye
safflower
sorghum
sorghum-sudan hybrid
soybean

clover, white
corn, field
corn, pop
fescue, tall
flax
millet, foxtail
sudan grass
sunflower
trefoil, birdsfoot
wheat, club
wheat, common
wheat, durum

(b) if the name of the variety is given, the name may be associated with the name of the kind with or without the words "kind and variety". The percentage in this case may be shown as "pure seed" and shall apply only to seed of the variety named. If separate percentages for the kind and the variety or hybrid are shown, the name of the kind and the name of the variety or the term "hybrid" shall be clearly associated with the respective percentages. When two or more varieties are present in excess of 5% and are named on the label, the name of each variety shall be accompanied by the percentage of each.

(4) that the seed is hybrid, if any one kind or kind and variety of seed present in excess of 5% is "hybrid" seed. The percentage that is hybrid shall be at least 95% of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of 5% and are named on the label, each that is hybrid shall be designated as "hybrid" on the label. No one kind or variety of seed may be labeled as "hybrid" if the pure seed contains less than 75% hybrid seed. Any one kind or kind and variety that has pure seed which is less than 95% but more than 75% hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show:

(a) the percentage of pure seed that is hybrid seed; or

(b) a statement such as "Contains from 75% to 95% hybrid seed";

(5) state or country of origin, if known, of alfalfa, red clover, white clover, native range grasses, and field corn other than hybrid. If the origin is unknown, the fact shall be stated.

(6) the approximate percentage of germination of agricultural seed, together with the date of test of germination. In all cases where hard seeds remain at the end of the germination test, the percentage of actual germination and the percentage of hard seeds shall be stated separately, with the provision that any portion or all of the percentage of hard seeds may be added to the percentage of germination and stated as "total germination and hard seed".

(7) the germination date that must include the calendar month and year in which the germination test was completed;

(8) a purity analysis that must include:

(a) the approximate percentage by weight of pure seed, meaning the freedom of agricultural seeds from inert matter and from other seeds;

(b) the approximate percentage by weight of sand, dirt, broken seeds, sticks, chaff, and other inert matter combined in agricultural seeds;

(c) the approximate total percentage by weight of weed seeds;

(d) the approximate percentage by weight of other crop seeds in agricultural seeds; and

(e) the name and approximate number of each kind or species of restricted noxious weed seeds occurring per pound of seed;

(9) the full name and address of the seedsman, importer, dealer or agent, or other person, firm, or corporation selling the seed;

(10) in the case of mixtures of agricultural seeds which contain two or more kinds of seed in excess of 5% by weight of each, when sold as mixtures:

(a) name of mixture;

(b) name and approximate percentage by weight of each kind of agricultural seed present in the mixture in excess of 5% by weight of the total mixture;

(c) approximate percentage by weight of broken seeds and other inert matter in the mixture of agricultural seeds;

(d) approximate percentage by weight of weed seeds as defined in 80-5-120;

(e) approximate percentage by weight of other crop seeds in the mixture of agricultural seeds;

(f) name and approximate number of each kind or species of restricted noxious weed seeds occurring per pound of mixtures of agricultural seeds, subject, however, to restrictions established by rule;

(g) approximate percentage of germination of each kind of agricultural seed present in the mixture in excess of 5% by weight, together with the month and year the seed was tested. In all cases where hard seeds remain at the end of the germination test, the percentage of actual germination and the percentage of hard seeds shall be stated separately, with the provision that any portion or all of the hard seed may be added to the percentage of germination and stated as "total germination and hard seed".

(h) full name and address of the vendor of the mixture.

**History: En. Sec. 2, Ch. 361, L. 1969; amd. Sec. 2, Ch. 390, L. 1973; amd. Sec. 10, Ch. 13, L. 1977; R.C.M. 1947, 3-802.2(1); amd. Sec. 2, Ch. 464, L. 1983; amd. Sec. 2, Ch. 373, L. 1987.**

**80-5-103. Exchange of seed between labelers.** (1) When seed is exchanged or transferred from one seed labeler to another, it shall be accompanied by a shipping document which clearly shows the kind(s) of seed and quantity of each kind. Each container of seed in a lot shall carry a lot number designation.

(2) While seed is in the possession of a licensed seed labeler, it must carry a lot number on each container at all times. When seed is made available for sale or sold, a complete label must be attached to each container of a lot.

**History: En. Sec. 2, Ch. 361, L. 1969; amd. Sec. 2, Ch. 390, L. 1973; amd. Sec. 10, Ch. 13, L. 1977; R.C.M. 1947, 3-802.2(2); amd. Sec. 3, Ch. 373, L. 1987.**

**80-5-104. Labeling of vegetable, flower, and indigenous seeds.** (1) Vegetable and flower seeds in packets and in larger containers shall be labeled with the required information as follows:

(a) each container of 1 pound or less:

(i) the commonly accepted name of the kind or the kind and variety of the seed;

(ii) the name and address of the person who labeled the seed or who sells the seed within this state;

(iii) the name and number per pound of each kind of restricted noxious weed seeds as prescribed by rules adopted under 80-5-105;

(iv) in the case of seed which has a percentage of germination less than the standard prescribed in the Federal Seed Act:

(A) the percentage of germination;
(B) the percentage of hard seed, if more than 1%;
(C) the month and year the test to determine the data required by this section was completed;
(D) the words "below standard germination" in not less than 8-point boldface type;
(b) each container of more than 1 pound:
(i) the name of the kind and variety of the contents;
(ii) the lot numbers or other lot identification;
(iii) the name and number per pound of each kind of restricted noxious weed seeds as prescribed by rules adopted under 80-5-105;
(iv) the percentage of germination and whether the percentage of germination meets or exceeds the standard established in the Federal Seed Act;
(v) the percentage of hard seed, if more than 1%;
(vi) the month and year the test to determine the data required by this section was completed;
(vii) the name and address of the person who labeled the seed or who sells the seed within this state.

(2) Indigenous seeds, as defined in 80-5-120, in amounts of 1 pound or more, whether in package or bulk, must be labeled with the following information:
(a) the statement "Labeled only for reclamation purposes";
(b) lot number or other distinguishing mark;
(c) the common name, genus, species, and subspecies when applicable, including the name of each kind of seed present in excess of 5%. When two or more kinds of seed are named on the label, the label shall specify the percentage of each. When only one kind of seed is present in excess of 5% and no variety name or type designation is shown, the percentage must apply to seed of the kind named. If the name of the variety is given, the name may be associated with the name of the kind. The percentage in this case may be shown as "pure seed" and must apply only to seed of the variety named.
(d) state or country of origin, if known. If the origin is unknown, that fact shall be stated.
(e) the approximate percentage of viable seed, together with the date of test. When labeling mixtures, the percentage viability of each kind shall be stated.
(f) the approximate percentage by weight of pure seed, meaning the freedom of seed from inert matter and from other seeds;
(g) the approximate percentage by weight of sand, dirt, broken seeds, sticks, chaff, and other inert matter;
(h) the approximate total percentage by weight of other seeds;
(i) the name and approximate number of each kind of species of restricted noxious weed seeds occurring per pound of seed;
(j) the full name and address of the person, firm, or corporation selling the seed.

**History:** **En. Sec. 3, Ch. 361, L. 1969; R.C.M. 1947, 3-802.3; amd. Sec. 3, Ch. 464, L. 1983; amd. Sec. 4, Ch. 373, L. 1987.**

**80-5-105. Prohibitions.** A person, firm, corporation, partnership, or association may not sell or transport for use in planting in this state any seed that:

(1) contains prohibited noxious weed seeds;

(2) contains restricted noxious weed seeds in excess of either:

(a) the maximum numbers per pound allowed under rules adopted by the department; or

(b) the maximum numbers per pound as follows:

| Common name | Species | Number of seeds per pound |
|---|---|---|
| dyers woad | (Isatis tinctoria) | 0 |
| spotted knapweed | (Centaurea maculosa) | 0 |
| wild oats | (Avena fatua) | 45<br>(per pound of grass seed)<br>9<br>(per pound of cereal seed) |

(3) contains in excess of 2% or more of weed seed;

(4) is offered or exposed for sale more than 12 calendar months from the last day of the month in which the germination test was completed. This 12-month limitation does not apply when seed is packaged in hermetically sealed containers within 12 months after harvest. The container must be conspicuously labeled in not less than 8-point type to indicate that:

(a) the container is hermetically sealed;

(b) the seed has been preconditioned as to moisture content;

(c) the germination test is valid for a period not to exceed 18 months from the date of the germination test for seeds offered for sale on a wholesale basis and for a period not to exceed 36 months for seeds offered for sale at retail;

(d) the germination of vegetable seed at the time of packaging was equal to or above standards prescribed in the Federal Seed Act of August 1939, 7 U.S.C. 1551 through 1610, amended October 15, 1967, with subsequent revisions;

(5) is labeled, advertised, or otherwise represented as being certified seed of any class thereof unless:

(a) it has been determined by a seed certifying agency that such seed conforms to standards of purity and identity as to kind, species (and subspecies, if appropriate), or variety; and

(b) the seed bears an official label issued for such seed by a seed certifying agency certifying that the seed is of a specified class and a specified kind, species (and subspecies, if appropriate), or variety;

(6) is labeled with a variety name for which a U.S. certificate of plant variety protection has been issued or applied for under the provisions of the Plant Variety Protection Act (7 U.S.C. 2321, et. seq.) without the authority of the owner of the variety or is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which the certificate or application for "protection" specifies sale only as a class of certified seed, provided that seed from a certified lot may be labeled as to variety name when used in a mixture by or with approval of the owner of the variety.

**History: En. Sec. 4, Ch. 361, L. 1969; amd. Sec. 12, Ch. 390, L. 1973; Sec. 3-820, R.C.M. 1947; amd. and redes. 3-802.4 by Sec. 45, Ch. 218, L. 1974; amd. Sec. 11, Ch. 13, L. 1977; amd. Sec. 5, Ch. 315, L. 1977; R.C.M. 1947, 3-802.4; amd. Sec. 5, Ch. 373, L. 1987.**

**80-5-106. Repealed.** Sec. 19, Ch. 373, L. 1987.

**History:** En. Sec. 5, Ch. 361, L. 1969; Sec. 3-821, R.C.M. 1947; amd. and redes. 3-802.5 by Sec. 46, Ch. 218, L. 1974; R.C.M. 1947, 3-802.5.

**80-5-107. Exemptions.** Seed or mixtures of same shall be exempt from the provisions of this part:

(1) when possessed, exposed for sale, or sold for food purposes only;

(2) when sold to merchants or dealers to be conditioned before being sold or offered for sale for seeding purposes;

(3) when in store for the purpose of conditioning or not possessed, sold, or offered for sale for seeding purposes within the state.

**History:** En. Sec. 3, Ch. 12, L. 1913; re-en. Sec. 3595, R.C.M. 1921; re-en. Sec. 3595, R.C.M. 1935; amd. Sec. 4, Ch. 88, L. 1939; amd. Sec. 6, Ch. 361, L. 1969; R.C.M. 1947, 3-803; amd. Sec. 4, Ch. 464, L. 1983; amd. Sec. 6, Ch. 373, L. 1987.

**80-5-108. Analysis by seed laboratory — reports.** The seed laboratory of the agricultural experiment station shall analyze and test seeds sold or offered or exposed for sale in this state at a time and place and to the extent the director of the agricultural experiment station and the department determine. The laboratory shall report to the department all violations as they appear. It may also annually before September 1 make a report to the department of all tests made and the results, which may be published by the department.

**History:** En. Sec. 5, Ch. 12, L. 1913; re-en. Sec. 3597, R.C.M. 1921; re-en. Sec. 3597, R.C.M. 1935; amd. Sec. 6, Ch. 88, L. 1939; amd. Sec. 3, Ch. 155, L. 1951; amd. Sec. 42, Ch. 218, L. 1974; amd. Sec. 13, Ch. 13, L. 1977; R.C.M. 1947, 3-805(1); amd. Sec. 7, Ch. 373, L. 1987.

**Cross-References**

Rules for enforcement of interstate embargo, including inspection provisions, 80-7-702.

**80-5-109. Testing of submitted samples.** The seed laboratory shall analyze any official seed samples taken from seed lots offered for sale in the state or submitted by the department, using methods such as those established under the Federal Seed Act and the procedural guidelines developed by the association of official seed analysts.

**History:** En. 3-806.1 by Sec. 4, Ch. 390, L. 1973; R.C.M. 1947, 3-806.1; amd. Sec. 8, Ch. 373, L. 1987.

**80-5-110. Laboratory testing of samples — fees.** Any citizen of this state may request the seed laboratory to examine, analyze, and test samples of seed upon payment of the fee and compliance with rules governing the submission of seed samples for such service. Samples of seed analyzed and tested shall be charged for at rates established by rule of the department as recommended by the agricultural experiment station. All fees collected by the seed laboratory shall be used to defray the expenses incurred by the laboratory under 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113.

**History:** En. Sec. 7, Ch. 12, L. 1913; re-en. Sec. 3599, R.C.M. 1921; re-en. Sec. 3599, R.C.M. 1935; amd. Sec. 2, Ch. 192, L. 1937; amd. Sec. 8, Ch. 88, L. 1939; amd. Sec. 1, Ch. 85, L. 1949; amd. Sec. 4, Ch. 155, L. 1951; amd. Sec. 5, Ch. 390, L. 1973; amd. Sec. 14, Ch. 13, L. 1977; R.C.M. 1947, 3-807; amd. Sec. 9, Ch. 373, L. 1987.

**80-5-111. Certificate of test presumptive evidence.** The certificate of the seed laboratory, giving results of any examinations, analyses, or tests of any seed samples made under the authority of the department, is presumptive evidence of the correctness of the facts stated in it.

**History: En. Sec. 8, Ch. 12, L. 1913; re-en. Sec. 3600, R.C.M. 1921; re-en. Sec. 3600, R.C.M. 1935; amd. Sec. 9, Ch. 88, L. 1939; amd. Sec. 6, Ch. 390, L. 1973; R.C.M. 1947, 3-808; amd. Sec. 10, Ch. 373, L. 1987.**

**80-5-112. Enforcement — rules.** The department shall administer and enforce 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113. For that purpose, the department may adopt rules. The department may issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of seed which the department finds in violation of 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113. The order shall prohibit further sale of the seed until the department has evidence that the law has been complied with. The seed may not be confiscated or destroyed. Upon proper correction, by reconditioning, labeling, or otherwise, and when, in the judgment of the department, the requirements of 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113 have been met, the stop sale order shall be lifted and the seed may be sold. The department shall adopt all necessary rules relating to the agricultural experiment station's duties under 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113.

**History: En. Sec. 5, Ch. 12, L. 1913; re-en. Sec. 3597, R.C.M. 1921; re-en. Sec. 3597, R.C.M. 1935; amd. Sec. 6, Ch. 88, L. 1939; amd. Sec. 3, Ch. 155, L. 1951; amd. Sec. 42, Ch. 218, L. 1974; amd. Sec. 13, Ch. 13, L. 1977; R.C.M. 1947, 3-805(2); amd. Sec. 5, Ch. 464, L. 1983; amd. Sec. 11, Ch. 373, L. 1987.**

**80-5-113. Penalty.** Any person, firm, or corporation which sells or offers or exposes for sale or distribution in the state any seed for seeding purposes without complying with the requirements of 80-5-102 through 80-5-105 and 80-5-107 through 80-5-113 is guilty of a misdemeanor and upon conviction shall be fined not less than $100 or more than $300 plus costs of such prosecution and upon conviction of the second or any subsequent offense shall be fined not less than $500 or more than $1,000 plus costs of such prosecution.

**History: En. Sec. 4, Ch. 12, L. 1913; re-en. Sec. 3596, R.C.M. 1921; amd. Sec. 2, Ch. 110, L. 1929; re-en. Sec. 3596, R.C.M. 1935; amd. Sec. 5, Ch. 88, L. 1939; amd. Sec. 3, Ch. 390, L. 1973; amd. Sec. 12, Ch. 13, L. 1977; R.C.M. 1947, 3-804; amd. Sec. 12, Ch. 373, L. 1987.**

**80-5-114 through 80-5-119 reserved.**

**80-5-120. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Agricultural seeds" means the seeds of grass, forage, cereal, fiber crops, and any other kinds of seeds commonly recognized within this state as agricultural seeds. The term includes lawn seeds and mixtures of seeds.

(2) "Approximate percentage" and "approximate number" mean the percentage or number with the variations above and below that value as allowed according to the tolerance limits defined in the rules for seed testing adopted by the association of official seed analysts.

(3) "Bin-run seed sales" means seed sales from one farmer to another farmer with seeds sold "as is", without guaranty or analysis.

(4) "Certifying agency" means:

(a) an agency authorized under the laws of a state, territory, or possession of the United States to officially certify seed and which has standards and procedures to assure the genetic purity and identity of the seed certified; or

(b) an agency of a foreign country determined by the department to adhere to procedures and standards for seed certification that are comparable to those adhered to generally by the seed certifying agencies described in subsection (4)(a).

(5) "Controlling the pollination" means to use a method of hybridization that will produce pure seed which is at least 75% hybrid seed. Hybrid designations must be treated as variety names.

(6) "Flower seeds" means seeds of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and that are commonly known and sold under the name of flower seeds in this state.

(7) "Hybrid", as the term applies to varieties of seed, means the first generation seed of a cross produced by controlling the pollination and by combining:

(a) two or more inbred lines;

(b) one inbred or a single cross with an open pollinated variety; or

(c) two or more selected clones, seed lines, varieties, or species.

(8) "Indigenous seeds" means the seeds of those plants that are naturally adapted to an area where the intended use is for revegetation of disturbed sites. These plants include grasses, forbs, shrubs, and legumes.

(9) "Labeling" means to affix, before offering the seed for sale, on the exterior of the container in a conspicuous place a label written or printed in the English language that has not been altered, giving the information required under this chapter.

(10) "Montana certified seed grower" means a member of an authorized Montana seed certifying agency who has consented to produce seed under the rules for certified classes of seed, with respect to the maintenance of genetic purity and variety identity, set forth by the establishing agency.

(11) "Name of the state in which the seed was grown" means any of the several states of the United States or a foreign country.

(12) "Other crop seeds" means any agricultural, vegetable, or flower seeds other than the seed or the mixture of seeds under consideration.

(13) "Percentage of germination" means the percentage of seeds that show normal sprouts as evidence of vitality when the seeds are subjected to the proper moisture and temperature conditions with proper aeration for the customary length of time for each specific kind of seed, as specified in the rules for seed testing adopted by the association of official seed analysts.

(14) "Percentage viability" means the percentage of live seed capable of producing a normal seedling under optimum growing conditions, after all forms of dormancy have been overcome, if present.

(15) "Person" means any individual, firm, partnership, corporation, or association.

(16) "Prohibited noxious weed seeds" means the seeds of perennial plants that not only reproduce by seed but also may spread by underground roots, stems, and other reproductive parts and that, when well established, are highly destructive and difficult to control in this state by ordinary good cultural practice. Prohibited noxious weed seeds include the seeds of:

(a) leafy spurge (Euphorbia esula);

(b) Russian knapweed (Centaurea repens); and

(c) plants that are designated by rule of the department as prohibited noxious weeds.

(17) "Protected variety" means a variety for which a certificate has been issued by the United States plant variety protection office or for which an application for protection has been filed granting the owner or his authorized agent exclusive rights in the sale and distribution of the variety.

(18) "Restricted noxious weed seeds" means the seeds and bulbets of any plant designated as restricted weed seeds under rules adopted by the department. The term includes the seeds of:

(a) spotted knapweed (Centaurea maculosa); and

(b) dyers woad (Isatis tinctoria).

(19) "Screening" means chaff, sterile florets, immature seed, weed seed, inert matter, and any other materials removed from seed by any kind of cleaning or conditioning.

(20) "Seed conditioning plant" means any place of business that repackages, conditions, blends, treats, or otherwise manipulates agricultural seeds.

(21) "Seed dealer" means any person who offers for sale, sells, or barters agricultural seeds.

(22) "Seed labeler" means any person affixing labels to agricultural seeds, with his name and address listed as required in 80-5-102, when such seed is distributed in Montana.

(23) "Sell" means to offer for sale, expose for sale, have in possession for sale, exchange, barter, or trade. The term includes furnishing agricultural seed to growers for the production of a crop on contract.

(24) "Vegetable seeds" means seeds of those crops that are or may be grown in gardens or on truck farms and are or may be sold generally under the name of vegetable seeds.

(25) "Weed seeds" means the seeds or bulbets of all plants generally recognized as weeds within this state and includes noxious weed seeds.

**History:** **En. Sec. 1, Ch. 373, L. 1987.**

**80-5-121. Inspection.** To enforce this chapter, the department may enter, at reasonable times, any public or private premises, including any vehicle of transport, and upon entry to the premises, the department may obtain samples, examine seeds and labels, inspect equipment, and review records relating to distribution of seed in Montana. The department may take any sample of seeds as may be required; however, the department shall pay, upon request, the firm current market value for each sample.

**History:** **En. Sec. 17, Ch. 373, L. 1987.**

**80-5-122. Publication of reports.** The department may publish the names and addresses of persons licensed under this chapter.

**History:** **En. Sec. 18, Ch. 373, L. 1987.**

## Part 2

## Seed Dealers, Processors, and Warehousemen

**Part Cross-References**

Definitions relating to agricultural seed, 80-5-120.

**80-5-201. Repealed.** Sec. 19, Ch. 373, L. 1987.

**History: En. Sec. 1, Ch. 442, L. 1973; amd. Sec. 1, Ch. 315, L. 1977; R.C.M. 1947, 3-310(2) thru (12); amd. Sec. 6, Ch. 464, L. 1983; amd. Sec. 72, Ch. 539, L. 1983.**

**80-5-202.** *(Temporary)* **Licensing — application — fee.** (1) All seed conditioning plants shall obtain a license from the department for each plant before doing business in this state; however, a seed grower, when conditioning seed from his own production, is not required to be licensed under this part.

(2) Each conditioning plant must post in a conspicuous location in the facility:

(a) its fees for conditioning services; and

(b) the license designation for the facility.

(3) All seed labelers and growers who label or affix written claims to their seed shall obtain a license from the department before doing business in Montana. The following persons, however, are excluded from the licensing requirements under this subsection:

(a) a Montana certified seed grower when labeling certified seed from his own production; and

(b) any person who updates germination test data by affixing to the package of seed a supplemental label bearing new germination data, the lot number, and his name and address.

(4) A person may not sell or distribute seed in Montana without obtaining a seed dealer's license from the department for each place where seed is located, except for:

(a) a person who distributes seed only in sealed packages of 10 pounds or less that are properly labeled;

(b) a Montana certified seed grower when selling certified seed from his own production; and

(c) a grain producer when making bin-run seed sales.

(5) Each person selling seed from a location other than the licensed place must be listed on the application for license.

(6) The department shall set by rule the period for which a license is issued under this section.

(7) The department may establish by rule minimum standards for equipment and handling procedures for facilities to be licensed.

(8) Each license shall cost no more than $50 a year. The fee must include the cost of application for a license and must be nonrefundable. The department may by rule establish license fees which bear a reasonable relationship to the cost of administering this part.

(9) An application for a license under this section must be made in a manner and on forms provided by the department. The application must contain among other things:

(a) the location of each seed conditioning plant if the application is for a seed conditioning plant license;

(b) a sample label if the application is for a seed labeler license; and

(c) a list of persons selling seed if the application is for a seed dealer's license.

(10) Seed dealers shall provide with all shipments of seed a bill of lading or other evidence of delivery that includes:

(a) the names of:

(i) the seller;
(ii) the shipper, if other than the seller;
(iii) the buyer; and
(iv) the receiver, if other than the buyer; and
(b) the destination where the seed will be first unloaded. *(Terminates July 1, 1991—sec. 5, Ch. 446, L. 1989.)*

**80-5-202.** *(Effective July 1, 1991)* **Licensing — application — fee.** (1) All seed conditioning plants shall obtain a license from the department for each plant before doing business in this state; however, a seed grower, when conditioning seed from his own production, is not required to be licensed under this part.

(2) Each conditioning plant must post in a conspicuous location in the facility:

(a) its fees for conditioning services; and

(b) the license designation for the facility.

(3) All seed labelers and growers who label or affix written claims to their seed shall obtain a license from the department before doing business in Montana. The following persons, however, are excluded from the licensing requirements under this subsection:

(a) a Montana certified seed grower when labeling certified seed from his own production; and

(b) any person who updates germination test data by affixing to the package of seed a supplemental label bearing new germination data, the lot number, and his name and address.

(4) No person may sell or distribute seed in Montana without obtaining a seed dealer's license from the department for each place where seed is located, except for:

(a) a person who distributes seed only in sealed packages of 10 pounds or less that are properly labeled;

(b) a Montana certified seed grower when selling certified seed from his own production; and

(c) a grain producer when making bin-run seed sales.

(5) Each person selling seed from a location other than the licensed place must be listed on the application for license.

(6) The department shall set by rule the period for which a license is issued under this section.

(7) The department may establish by rule minimum standards for equipment and handling procedures for facilities to be licensed.

(8) Each license shall cost no more than $50 a year. The fee must include the cost of application for a license and must be nonrefundable. The department may by rule establish license fees which bear a reasonable relationship to the cost of administering this part.

(9) An application for a license under this section must be made in a manner and on forms provided by the department. Such application must contain among other things:

(a) the location of each seed conditioning plant if the application is for a seed conditioning plant license;

(b) a sample label if the application is for a seed labeler license; and

(c) a list of persons selling seed if the application is for a seed dealer's license.

**History:** **En. Sec. 2, Ch. 442, L. 1973; amd. Sec. 2, Ch. 315, L. 1977; R.C.M. 1947, 3-311; amd. Sec. 7, Ch. 20, L. 1979; amd. Sec. 7, Ch. 464, L. 1983; amd. Sec. 73, Ch. 539, L. 1983; amd. Sec. 13, Ch. 373, L. 1987; amd. Sec. 2, Ch. 446, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (10) relating to information required on bill of lading for seed shipments. Amendment effective April 5, 1989, and terminates July 1, 1991.

**80-5-203. Repealed.** Sec. 19, Ch. 373, L. 1987.

**History:** **En. Sec. 4, Ch. 442, L. 1973; amd. Sec. 3, Ch. 315, L. 1977; R.C.M. 1947, 3-313; amd. Sec. 8, Ch. 464, L. 1983; amd. Sec. 74, Ch. 539, L. 1983.**

**80-5-204. Screenings — restrictions on movements.** All screenings, whether from seed conditioning plants or other sources, represent both a valuable and potentially hazardous product. Their movements are restricted as follows:

(1) The viability of prohibited noxious weed seed as defined in 80-5-120 shall be destroyed before screenings are utilized in feed or in any other way in which they may propagate their kind. However, if these screenings are sold for feed, it shall be the responsibility of the feed buyer to haul under a tarp cover or other tight container until the provisions of this part are met.

(2) The department may adopt rules to restrict or exempt from restriction the holding and movement of screenings when the public interest is served by so doing.

**History:** **En. Sec. 3, Ch. 442, L. 1973; R.C.M. 1947, 3-312; amd. Sec. 9, Ch. 464, L. 1983; amd. Sec. 14, Ch. 373, L. 1987.**

**80-5-205. Violations.** The following acts caused within the state of Montana are prohibited:

(1) the failure or refusal to obtain a license as required in 80-5-202;

(2) the misbranding or mislabeling of seed;

(3) the violation or failure to comply with rules issued under the authority of this part.

**History:** **En. Sec. 5, Ch. 442, L. 1973; R.C.M. 1947, 3-314; amd. Sec. 15, Ch. 373, L. 1987.**

**80-5-206. Rules — promulgated by department.** The department is authorized to promulgate necessary rules as authorized by this part. All rules are to be promulgated in accordance with procedures as set forth in the Montana Administrative Procedure Act.

**History:** **En. Sec. 6, Ch. 442, L. 1973; R.C.M. 1947, 3-315; amd. Sec. 8, Ch. 20, L. 1979.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

"Department" defined, 80-1-101.

**80-5-207. Violation — cancellation of license — enforcement proceedings.** (1) Distribution of seeds that are not legally labeled or failure to comply with this chapter or rules issued under its authority constitutes sufficient grounds for the department to cancel or deny a license to a licensee, provided that the licensee is given a reasonable opportunity to correct inadvertent and nonrecurring deficiencies.

(2) Any person convicted of violating the provisions of this part or rules promulgated under the authority of this part is guilty of a misdemeanor and shall be fined not less than $100 or more than $300 for the first violation and not less than $500 or more than $1,000 for each subsequent violation.

(3) Nothing in this part shall be construed as requiring the department or its representatives to report violations of this part when it believes that the public interest will be best served by a suitable notice of warning.

(4) It is the duty of each county attorney to whom any violation is reported to cause appropriate proceedings to be instituted and prosecuted in a court of competent jurisdiction without delay.

(5) The department is authorized to apply for and the court to grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this part or any rule promulgated under this part notwithstanding the existence of other remedies at law. An injunction is issued without bond.

(6) Any person adversely affected by an act, order, or ruling made pursuant to the provisions of this part may within 30 days bring action in the district court of the county or any county where the alleged violation occurred for trial of the issues bearing upon such act.

**History: En. Sec. 7, Ch. 442, L. 1973; amd. Sec. 4, Ch. 315, L. 1977; R.C.M. 1947, 3-316; amd. Sec. 16, Ch. 373, L. 1987.**

**80-5-208. Deposit of funds.** All money collected under the provisions of this part shall be deposited to the general fund.

**History: En. Sec. 8, Ch. 442, L. 1973; R.C.M. 1947, 3-317.**

**Cross-References**

State treasury fund structure, 17-2-102.

## Part 3

## Certification

**Part Cross-References**

U.C.C. — exclusion of warranties as to disease-free seed, 30-2-316.

Definitions relating to agricultural seed, 80-5-120.

**80-5-301. Application of sections.** A person, firm, association, or corporation which issues, uses, or circulates any certificate, advertisement, tag, seal, poster, letterhead, marking, circular, or written or printed representation or description pertaining to seeds or plant parts intended for propagation or sale or sold or offered for sale in which the words "Montana state certified", "state certified", "Montana certified", or similar words or phrases are used or employed is subject to 80-5-301 through 80-5-305.

**History: En. Sec. 1, Ch. 11, L. 1951; amd. Sec. 43, Ch. 218, L. 1974; R.C.M. 1947, 3-809.**

**80-5-302. Rules by Montana state university — certification agencies.** Every person, firm, association, or corporation subject to the provisions of 80-5-301 through 80-5-305 shall observe, perform, or comply with all rules and standards for seed certification established or specified by Montana state university, hereafter referred to as the university, as to what crops grown or to be grown in Montana shall be eligible for certification hereunder, as to the conduct of such certification, either by said university directly or by agents or agencies authorized by it for the purpose, and as to standards, requirements, and forms of and for certification hereunder; provided, however, that not more than one such agent or agency for certification shall be designated for any one specified crop. No certification within the provisions of 80-5-301 through 80-5-305 shall be made or authorized except by or through said university.

**History:** **En. Sec. 2, Ch. 11, L. 1951; amd. Sec. 7, Ch. 390, L. 1973; R.C.M. 1947, 3-810.**

**80-5-303. Certification work on self-supporting basis.** Certification work, whether conducted by said university or by an agency designated by it, shall be on a self-supporting basis and not for financial profit.

**History:** **En. Sec. 3, Ch. 11, L. 1951; amd. Sec. 8, Ch. 390, L. 1973; R.C.M. 1947, 3-811.**

**80-5-304. Withholding certification.** The said university or its designated agency or agencies may withhold certification from any grower of seeds or plant parts who is engaged in or attempting to engage in any dishonest practices for the purpose of evading the provisions of 80-5-301 through 80-5-305, including standards and rules laid down by the said university or its designated agency or agencies to cover certification.

**History:** **En. Sec. 5, Ch. 11, L. 1951; amd. Sec. 10, Ch. 390, L. 1973; R.C.M. 1947, 3-813.**

**80-5-305. Unlawful use of certification — penalty.** A person, firm, association, or corporation may not issue, make, use, or circulate any document purporting to be or represented as a seed or plant part certification certificate, represent seeds or plant parts as certified, or use the terms "Montana state certified", "state certified", "Montana certified", or similar words or phrases, without the authority and approval of the university. A person, firm, association, or corporation who violates 80-5-301 through 80-5-305 is guilty of a misdemeanor and shall be fined not less than $100 or more than $500 for each offense.

**History:** **En. Sec. 6, Ch. 11, L. 1951; amd. Sec. 11, Ch. 390, L. 1973; amd. Sec. 44, Ch. 218, L. 1974; R.C.M. 1947, 3-814.**

## Part 4

## Seed Potato Disease Control Act

**80-5-401. Short title.** This part may be cited as the "Seed Potato Disease Control Act".

**History:** **En. Sec. 1, Ch. 610, L. 1989.**

**80-5-402. Definitions.** As used in this part, the following definitions apply:

(1) "Certified seed potatoes" means potato seed stock that has passed limited field and storage inspections and has been grown in accordance with the certification rules and regulations of an official seed potato certifying agency of the state or country of origin and certified as such.

(2) "Department" means the department of agriculture provided for in 2-15-3001.

(3) "Person" means an individual, firm, partnership, corporation, company, association, or separate business or legal entity.

(4) "Seed potatoes" or "potato seed" means all varieties of potato tubers, stems, and other plant parts of the herb plant known as Solanum tuberosum that are intended or used for seed purposes, planting, propagation, or reproduction.

**History:** **En. Sec. 2, Ch. 610, L. 1989.**

**80-5-403. Imported seed potatoes — restrictions — exceptions — quarantine.** (1) To control and prevent the spread of contagious diseases among seed potato stock:

(a) seed potatoes may not be imported into this state for any commercial or agricultural purpose unless the seed potatoes are:

(i) from seed stock produced as a part of a certified seed potato crop in the state or country of origin and certified as being from that stock;

(ii) inspected at the Montana receiving point by a federal or state-federal standard grade inspector;

(iii) shipped in a clean, disinfected container or transportation carrier; and

(iv) accompanied by a United States department of agriculture or state of origin certification of inspection describing the seed variety, seed class, standard grade, quality or condition, and seed source and have affixed to each inspection certificate an official state of origin seed potato certification tag or label; and

(b) seed or commercial potatoes, equipment, machinery, bags, or containers known to be diseased or contaminated with bacterial ring rot, nematode, or tuber moth may not be brought into this state.

(2) The provisions of this section do not apply to any unit of the Montana university system when it is importing into this state potato seed for research or educational purposes.

(3) The department shall quarantine seed potatoes imported into the state in violation of this section. The department shall adopt rules governing quarantines and regulating the use or disposition of quarantined seed potatoes.

**History:** **En. Sec. 3, Ch. 610, L. 1989.**

**80-5-404. Planting noncertified seed potatoes prohibited in certain counties — restrictions — exceptions.** (1) To control and prevent the spread of contagious diseases and viruses among seed potato stock, it shall be unlawful after January 1, 1990, for any person to plant or produce potatoes, either seed or commercial, from any seed potato stock unless the seed potatoes are:

(a) from seed stock produced as a part of a certified seed potato crop in the state or country of origin and certified as being from that stock;

(b) inspected at the receiving point by a federal or state-federal standard grade inspector if from a source outside the county;

(c) shipped in a clean, disinfected container or transportation carrier; and

(d) for each individual lot of seed potatoes, accompanied by a United States department of agriculture or state of origin certificate of inspection describing the seed variety, seed class, standard grade, quality or condition, and seed source and have affixed to each inspection certificate an official state of origin seed potato certification tag or label.

(2) The provisions of this section apply only to counties where Montana certified seed potatoes are produced and certified by Montana state university during the preceding crop year as provided for in 80-5-301 through 80-5-305. On or before November 15 of each year, the department shall compile from official certification records at Montana state university a list of counties affected by this section and shall publish the provisions of this section throughout those counties.

(3) The provisions of this section do not apply to:

(a) potatoes grown in home gardens;

(b) potatoes grown by any unit of the Montana university system for research or educational purposes.

**History: En. Sec. 4, Ch. 610, L. 1989.**

**80-5-405. Enforcement — penalty.** (1) The department shall administer and enforce the provisions of this part.

(2) Any person violating any provision of this part is guilty of a misdemeanor and upon conviction shall be punished as provided in 46-18-212.

**History: En. Sec. 5, Ch. 610, L. 1989.**

# CHAPTER 6

## APICULTURE

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**Chapter Cross-References**

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Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

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Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

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## Part 1

## Registration — Apis Bees

**80-6-101. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Apiary" means a place where one or more colonies of bees are kept or one or more hives containing honeycombs or bee combs are kept.

(2) "Bee diseases" means American or European foulbrood, sacbrood, bee paralysis, or other disease or abnormal condition of egg, larval, pupal, or adult stages of bees.

(3) "Bees" means any stage of the bees in the genus Apis.

(4) "Colony" means the hive and all equipment used in connection with the hive.

(5) "Department" means the department of agriculture, provided for in 2-15-3001.

(6) "Equipment" means hives, supers, frames, veils, gloves, or any apparatus, tools, machines, or other devices used in the handling and manipulation of bees, honey, wax, and hives and includes containers of honey and wax which may be used in an apiary or in transporting bees and their products and apiary supplies.

(7) "Family unit" means two or more persons living together or residing in the same dwelling, house, or other place of residence.

(8) "General apiary" means any apiary other than a pollination apiary, landowner apiary, or hobbyist apiary.

(9) "Hive" means a frame hive, box hive, box, barrel, log gum, skep, or other receptacle or container or a part of a container, natural or artificial, which may be used as a domicile for bees.

(10) "Hobbyist apiary" means an apiary owned by a hobbyist beekeeper.

(11) "Hobbyist beekeeper" means a person who owns a total of no more than five hives.

(12) "Landowner" means the person who has the actual use and exclusive possession of the land upon which a landowner apiary is to be registered. However, a person leasing or renting land for the primary purpose of locating or establishing an apiary thereon is not considered a landowner.

(13) "Landowner apiary" means an apiary owned by a landowner as defined in this section.

(14) "Persons" means individuals, associations, partnerships, or corporations.

(15) "Pest" means the African honeybee (Apis mellifera scutellata) and those honeybees Africanized by interbreeding with the African honeybee, as identified by rule of the department.

(16) "Pollination apiary" means an apiary operated for pollination of a commercial seed, fruit, or other commercial agricultural product as provided in 80-6-112.

(17) "Queen apiary" means an apiary or premises in which queen bees are reared or kept for sale or gift.

**History: En. Sec. 1, Ch. 79, L. 1947; amd. Sec. 1, Ch. 475, L. 1973; Sec. 82-805, R.C.M. 1947; amd. and redes. 3-3101 by Sec. 128, Ch. 218, L. 1974; R.C.M. 1947, 3-3101; amd. Sec. 1, Ch. 125, L. 1981; amd. Sec. 1, Ch. 198, L. 1987.**

**80-6-102. Registration.** (1) A person who owns or possesses an apiary in the state shall, before April 1 each year, register the apiary. There are four classes of apiary registration. The conditions under which the department may issue certificates of registration for each class are specified in 80-6-111 through 80-6-115.

(2) Applications shall be made to the department for registration application blanks.

(3) Registration application blanks shall be furnished by the department. The applicant shall provide the following information:

(a) a statement of the name and place of residence;

(b) the number of colonies of bees, hives, and equipment in the apiary;

(c) the location of the apiary, setting forth specifically the location by sectional division to the nearest quarter section, and the township and range and, if within the corporate limits of a town or city, the number of the lot and block in the town or city;

(d) the name of the owner, renter, or occupant of the land on which the apiary is located and, when the application is for a new apiary being registered for the first time, the application must also show that the owner, renter, or occupant of the land has consented to the apiary being located on his land;

(e) the date when the apiary was first established;

(f) the class of apiary registration for which application is being made; and

(g) other information the department may require under rules adopted by it for the protection, safety, and welfare of the public and the beekeeping industry.

(4) Upon receipt of the application and payment of the fees prescribed, the department may issue a certificate of registration for an apiary, setting forth the name of the owner, the specific location, the number of colonies of bees or size of the apiary authorized under the registration, and the class of apiary authorized by the registration.

(5) In issuing certificates of registration for apiaries, if there is a conflict between applicants with respect to location, the department shall give preference to the applicant having the oldest continuous registered apiary.

(6) Certificates of registration may not be issued for new apiaries which are within such close proximity to established registered apiaries that there is or may be danger of spread of disease or pests or that the proximity will or may interfere with the proper feeding and honey flow of established apiaries.

(7) Before registering new apiaries, the department shall give at least 10 days' notice by certified mail to all registered apiarists likely to be affected by the proposed new apiary so that any party affected may file written protests with the department against registering the new apiary. If a written protest is filed, the department may require a hearing. Notice of the time and place of the hearing shall be given all parties interested by certified mail at least 10 days before the date set for the hearing.

(8) Suitable evidence of registration furnished by the department shall be posted by the apiary registrant in a conspicuous place at or near the apiary. If an owner has more than one apiary, suitable evidence of registration furnished by the department shall be posted at each apiary.

(9) A registration not applied for by April 1 of each year is a late registration and incurs an added penalty of 10% of the regular registration fee or $10, whichever is greater. Registrants who fail to apply for reregistration by April 1 of each year shall be notified of their delinquency by the department. The notification shall be by certified mail and is sufficient if deposited in a United States post office or mail box and addressed to the registrant at his last

address appearing in the apiary registration files of the department at least 10 days before May 1. The registration of an apiary for which application for reregistration is not made by May 1 of each year is forfeited and all rights under the registration terminate.

(10) Any person who owns or possesses any bees, hives, colonies, or beekeeping equipment in this state or who owns or possesses an apiary in this state and who fails or refuses to register the same as provided in this part is guilty of a misdemeanor and upon conviction thereof is subject to the penalties set forth in 80-6-303.

(11) Nothing contained in this section or in 80-6-111 through 80-6-115 shall be construed as invalidating, canceling, amending, terminating, or extending any certificate of registration issued by the department prior to October 1, 1981. All such previously issued certificates of registration remain in effect for the period for which they were issued; subject, however, to forfeiture, lapse, abandonment, and termination in the manner provided by law.

**History: En. Sec. 3, Ch. 79, L. 1947; amd. Sec. 2, Ch. 28, L. 1953; amd. Sec. 3, Ch. 475, L. 1973; Sec. 82-807, R.C.M. 1947; amd. and redes. 3-3103 by Sec. 130, Ch. 218, L. 1974; amd. Sec. 2, Ch. 25, L. 1977; R.C.M. 1947, 3-3103; amd. Sec. 2, Ch. 125, L. 1981; amd. Sec. 2, Ch. 198, L. 1987.**

**80-6-103. Changing locations — enlarging or selling apiaries.** (1) An owner of an established registered apiary may not change the location of the apiary without first receiving from the department authorization to establish the new apiary. In making the application, he shall specify the location of the apiary with the same particularity as in the application for original registration. If the new apiary is not used within 60 days after a new certificate of registration is issued, the certificate of registration lapses and all rights under the registration terminate. Registrations for new apiaries may not be issued for greater areas than the applicant can show are reasonably necessary for his needs consistent with good beekeeping practice.

(2) A registered apiary may be sold or transferred to a purchaser subject to parts 1 through 3 if all bees and equipment on the apiary are sold to the purchaser.

(3) No person may increase the number of hives on an apiary to exceed the number of hives authorized by his certificate of registration for that apiary, except that a person may increase the number of hives on a general apiary beyond the number authorized by the certificate of registration in order to protect his bees during adverse weather or crop conditions or to protect his bees and hives from bears or other predators. A person may also enlarge a general apiary during the spring buildup and in the fall after the end of the honey season in order to gather his bees for shipment out of the state or to winter his bees on that apiary.

(4) A person enlarging an apiary so as to exceed the number of hives herein allowed is guilty of a misdemeanor and is subject to the penalties set forth in 80-6-303.

**History: En. 3-3104 by Sec. 131, Ch. 218, L. 1974; amd. Sec. 3, Ch. 25, L. 1977; R.C.M. 1947, 3-3104; amd. Sec. 8, Ch. 125, L. 1981.**

**80-6-104. Apiaries — termination of rights — abandonment.** (1) The registration of an apiary which is not stocked with bees during at least part of the normal build-up or honey-producing season is forfeited and all rights under the certificate of registration terminate.

(2) An apiary not regularly attended in accordance with good beekeeping practice, which comprises a hazard or threat to disease or pest control in the beekeeping industry or which by reason of its physical condition or construction cannot be inspected, or any apiary not registered in accordance with 80-6-102, may be considered an abandoned apiary and may be seized by the department. Any pest-infected or diseased equipment or equipment which by reason of its physical condition or construction cannot be inspected may be burned, and the remainder may be sold at public auction. Proceeds, after the cost of the sale is deducted, shall be returned to the former owner or his estate. Before burning or selling any equipment, the department shall give the owner or person in charge a written notice at least 5 days before the burning or sale. The notice shall be given by certified mail or personal service upon the owner or person in charge of the property. If the owner or person in charge cannot be located, a certified letter sent to the owner's last address registered with the department is sufficient notice under this section.

**History:** En. 3-3105 by Sec. 132, Ch. 218, L. 1974; amd. Sec. 4, Ch. 25, L. 1977; R.C.M. 1947, 3-3105; amd. Sec. 3, Ch. 198, L. 1987.

**80-6-105. Registration fees.** (1) Each year before a certificate of registration may be issued for an apiary, the owner or applicant for the certificate shall pay the department a registration fee in accordance with the following schedule of fees for the total number of colonies owned or possessed:

| | |
|---|---|
| 1 to 10 colonies of bees | $ 10.00 |
| 11 to 200 colonies | 25.00 |
| 201 to 500 colonies | 40.00 |
| 501 to 1,000 colonies | 70.00 |
| 1,001 to 3,000 colonies | 100.00 |
| 3,001 to 5,000 colonies | 140.00 |
| 5,001 colonies and upward | 200.00 |

(2) If, after registration, additional or new colonies are authorized for a registered apiary, fees shall be paid by the registrant in accordance with the schedule in subsection (1) for the total number of colonies for that year.

**History:** En. Sec. 4, Ch. 79, L. 1947; amd. Sec. 1, Ch. 175, L. 1973; amd. Sec. 4, Ch. 475, L. 1973; Sec. 82-808, R.C.M. 1947; amd. and redes. 3-3106 by Sec. 133, Ch. 218, L. 1974; amd. Sec. 5, Ch. 25, L. 1977; R.C.M. 1947, 3-3106; amd. Sec. 2, Ch. 300, L. 1979; amd. Sec. 4, Ch. 198, L. 1987.

**Cross-References**

Disposition of fees, 80-6-302.

**80-6-106 through 80-6-110 reserved.**

**80-6-111. General apiary registrations.** (1) In order to control, limit, and prevent the spread of bee diseases, pests, and other contagious or infectious diseases among bees, hives, and apiaries and to control, limit, and prevent interference with the proper feeding and honey flow of established apiaries, general apiaries registered to different persons on October 1, 1981, must be located 3 or more miles apart, except as otherwise provided in this part. The department shall not register or issue a certificate of registration for any general apiary that is located less than 3 miles from a general apiary registered to another person, except as otherwise provided in this section.

(2) A person may register a general apiary that is situated less than 3 miles from another general apiary he has registered so long as the location of the general apiary being applied for is 3 or more miles from general apiaries registered to other persons.

(3) A general apiary may be registered even though it is less than 3 miles from any registered pollination apiary, landowner apiary, or hobbyist apiary.

(4) A person with an existing apiary that is located less than 3 miles from an existing general apiary registered to another person may register his apiary as a general apiary under the following conditions:

(a) his apiary was established and registered with the department as a general apiary under the department's rules in effect prior to July 1, 1981;

(b) his apiary is registered with the department as a general apiary as of July 1, 1981; and

(c) the registration of his apiary has not been forfeited or abandoned under the provisions of 80-6-102(9) or 80-6-104.

**History:** **En. Sec. 3, Ch. 125, L. 1981; amd. Sec. 5, Ch. 198, L. 1987.**

**80-6-112. Pollination apiary registrations.** (1) The department may grant pollination apiary registrations to commercial seed and fruit producers or other commercial agricultural producers under the following conditions:

(a) (i) the applicant must own, lease, or rent the land upon which the pollination apiary is to be located and the applicant must use the land for the purpose of growing a commercial seed, fruit, or other crop which is dependent upon bees or other insects for pollination;

(ii) the applicant does not own the bees or the hives which are to be placed upon the pollination apiary; and

(iii) the only purpose of the apiary is to pollinate a commercial agricultural crop.

(b) The applicant shall provide the department with all pertinent information necessary to determine if pollination apiaries are needed to pollinate the applicant's crop adequately.

(c) The department may refuse to register a pollination apiary based upon its own investigation of the matter, but if the department approves the application, it shall specify the number and location of pollination apiaries needed for the purpose of pollinating the applicant's commercial agricultural crop adequately.

(2) A pollination apiary registration is valid only for the time period specified by the department, and all pollination apiaries must be removed within 2 weeks after the full bloom period of the crop to be pollinated.

(3) No certificate of registration of a pollination apiary may be leased, assigned, or transferred and no person other than the pollination apiary registrant may exercise any rights or privileges, directly or indirectly, authorized by the certificate of registration.

**History:** **En. Sec. 4, Ch. 125, L. 1981.**

**80-6-113. Landowner apiary registrations.** (1) The department may grant landowner apiary registrations under the following conditions:

(a) The applicant must be a landowner, as defined in 80-6-101, and must own the land upon which the apiary will be located.

(b) The applicant must own the bees and the hives that will be placed on the apiary.

(c) The bees and the hives must be personally managed and operated by the applicant.

(2) No certificate of registration of a landowner apiary may be leased, assigned, or transferred, and no person other than the landowner apiary registrant may exercise any rights or privileges, directly or indirectly, authorized by the certificate of registration.

**History: En. Sec. 5, Ch. 125, L. 1981.**

**80-6-114. Hobbyist apiary registrations.** (1) The department may grant hobbyist apiary registrations to hobbyist beekeepers under the following conditions:

(a) The applicant must not own a total of more than five hives, and all of the hives must be placed on the hobbyist apiary.

(b) The applicant must own the bees and the hives and must personally manage and operate the bees and the hives.

(c) Only one hobbyist registration is allowed an applicant and only two hobbyist apiary registrations are allowed a family unit.

(d) If the department determines that too many hobbyist apiaries are being registered within too close proximity of each other or of other established apiaries so that there is or may be danger of the spread of bee diseases, pests, or other contagious or infectious diseases among bees or apiaries or that there will be interference with the proper feeding and honey flow of established apiaries, the department may refuse to grant any further hobbyist registrations in the locality and area of the danger, in accordance with 80-6-102(6).

(2) No certificate of registration of a hobbyist apiary may be leased, assigned, or transferred, and no person other than the hobbyist apiary registrant may exercise any rights or privileges, directly or indirectly, authorized by the certificate of registration.

**History: En. Sec. 6, Ch. 125, L. 1981; amd. Sec. 6, Ch. 198, L. 1987.**

**80-6-115. Restrictions on apiary locations.** Pollination apiaries, landowner apiaries, and hobbyist apiaries may be located less than 3 miles from pollination apiaries, landowner apiaries, hobbyist apiaries, and general apiaries registered to other persons. General apiaries may be located within 3 miles of one another only under the provisions of 80-6-111.

**History: En. Sec. 7, Ch. 125, L. 1981.**

## Part 2

## Inspection and Certification — Apis Bees

**80-6-201. Apiaries — powers and duties of the department.** (1) To prevent the spread of pests and contagious and infectious disease among bees and apiaries, the department may:

(a) order the transfer of colonies of bees from hives or containers which cannot be properly examined for brood or other diseases to other hives or containers;

(b) order disinfection of any bee, beehive, brood comb, or any other equipment which is infected or contaminated with disease or pests and burn any infected or contaminated bee, beehive, brood comb, or any other equipment if, in its judgment, disinfection will not remove the infection or contamination. Before burning any property, the department shall give the owner or person in charge a written notice at least 5 days before the date on which the property will be burned. The notice shall be given by certified mail or personal service upon the owner or person in charge of the property.

(c) quarantine any apiary where pests, foulbrood, or any contagious or infectious diseases are present and, during the quarantine, prevent the removal from the apiary of any bees or equipment except under a special permit issued by the department permitting the removal under conditions prescribed by it. A person may not sell or offer for sale any apiary, bees, or equipment which are under quarantine unless a permit authorizing the sale or removal is issued by the department. Written notice of quarantine shall be posted by the department, owner, or person in charge at the quarantined apiary at a conspicuous place, and a copy shall be personally served or sent by certified mail to the owner of the apiary or person in charge. The quarantine continues in effect until it is ordered removed and a copy of the removal order served in the same manner.

(d) establish by rule interior and exterior quarantines to prevent the entry or spread of diseases or pests which are not known to occur in Montana;

(e) inspect any apiary, hives, equipment, or premises for the presence of disease or pests;

(f) promulgate and enforce rules adopted pursuant to parts 1 through 3.

(2) Any person failing to comply with a rule, order, or provision of a quarantine pursuant to this section is subject to penalties provided for in 80-6-303.

(3) The department may provide disease and pest inspection, sampling, and laboratory analysis services for a fee. The department shall adopt rules setting the fee commensurate with costs and establishing procedures for sampling and analysis.

**History: En. Sec. 2, Ch. 79, L. 1947; amd. Sec. 1, Ch. 28, L. 1953; amd. Sec. 2, Ch. 475, L. 1973; Sec. 82-806, R.C.M. 1947; amd. and redes. 3-3102 by Sec. 129, Ch. 218, L. 1974; amd. Sec. 1, Ch. 25, L. 1977; R.C.M. 1947, 3-3102; amd. Sec. 7, Ch. 198, L. 1987.**

**80-6-202. Inspection of bees or used beekeeping equipment transported interstate.** (1) A person may not transport or bring into the state any used beekeeping equipment or containers, including honey to be extracted, unless it is certified and duly marked as being apparently pest- and disease-free by an official responsible for apiary regulations of the state from which it is being moved. The department shall be advised in advance of the date of entry and the destination of the material. Used equipment transported into the state may be quarantined by the department, in accordance with 80-6-201(1)(c), from the time it enters the state until it has been inspected and found to be apparently free of pests and diseases or until it has been in use while under quarantine for a minimum of 90 days and at least until the following July 1. The beekeeping materials are also subject to quarantine as provided in this section. The department may also inspect and certify as being apparently pest- and disease-free bees or beekeeping equipment which is to be transported from Montana to a state which requires an inspection in the state of origin.

(2) The costs of making the inspections provided for in subsection (1) shall be paid in advance by the owner of the bees or equipment and shall include a per diem pursuant to Title 2, chapter 18, part 5, necessary traveling expenses, and a fee of $50 for the issuance of a certificate of health. If inspection by an official of any other state is considered insufficient for the protection of the Montana bee industry by the department, the department shall so state by public statement. Importation of beekeeping materials, including honey for extracting, from that other state shall be denied unless the materials or honey are first inspected by the department and there is obtained from it a certificate of inspection showing that the materials or honey are apparently free from pests and contagious or infectious disease. The costs of making the inspection shall be paid by the person requesting it, and inspection may be made at any point outside this state convenient to the person making the inspection. The department may require that the costs of making the inspection be paid in advance, and the costs shall include per diem pursuant to Title 2, chapter 18, part 5, necessary traveling expenses, and a fee of $50 for the issuance of the certificate of inspection.

**History:** En. Sec. 5, Ch. 79, L. 1947; amd. Sec. 3, Ch. 28, L. 1953; amd. Sec. 5, Ch. 475, L. 1973; Sec. 82-809, R.C.M. 1947; amd. and redes. 3-3107 by Sec. 134, Ch. 218, L. 1974; amd. Sec. 5, Ch. 25, L. 1977; R.C.M. 1947, 3-3107; amd. Sec. 4, Ch. 300, L. 1979; amd. Sec. 8, Ch. 198, L. 1987.

**80-6-203. Importation of bees in combless packages.** A person or common carrier may not transport or bring into this state bees in combless packages unless they are accompanied by a certificate of health issued by the official inspector of the state or country from which they came.

**History:** En. Sec. 6, Ch. 79, L. 1947; Sec. 82-810, R.C.M. 1947; amd. and redes. 3-3108 by Sec. 135, Ch. 218, L. 1974; R.C.M. 1947, 3-3108.

## Part 3

## General Provisions — Apis Bees

**80-6-301. Orders effective until reversed or modified by court.** An order or rule adopted by the department, including an order refusing a permit for the establishment of a new apiary location, is effective until reversed or modified by a final decision of a court of competent jurisdiction and while such action is pending, as defined in 25-1-103. An injunction or other process or writ may not be issued by a court restraining enforcement until that final determination.

**History:** En. Sec. 10, Ch. 79, L. 1947; amd. Sec. 7, Ch. 475, L. 1973; Sec. 82-814, R.C.M. 1947; amd. and redes. 3-3112 by Sec. 139, Ch. 218, L. 1974; amd. Sec. 23, Ch. 13, L. 1977; R.C.M. 1947, 3-3112.

**80-6-302. Disposition of fees.** Registration and inspection fees collected under parts 1 through 3 shall be transmitted by the department to the state treasurer, who shall deposit the moneys to the credit of the general fund.

**History:** En. Sec. 7, Ch. 79, L. 1947; amd. Sec. 6, Ch. 475, L. 1973; Sec. 82-811, R.C.M. 1947; amd. and redes. 3-3109 by Sec. 136, Ch. 218, L. 1974; R.C.M. 1947, 3-3109.

**Cross-References**
State treasury fund structure, 17-2-102.

**80-6-303. Penalty.** A person violating parts 1 through 3 is guilty of a misdemeanor and shall be fined not less than $25 or more than $500 or imprisoned in the county jail not exceeding 1 year or both fined and imprisoned.

**History: En. Sec. 8, Ch. 79, L. 1947; Sec. 82-812, R.C.M. 1947; amd. and redes. 3-3110 by Sec. 137, Ch. 218, L. 1974; R.C.M. 1947, 3-3110.**

**80-6-304 through 80-6-310 reserved.**

**80-6-311. Bee laboratory authorized.** The department or a party designated by the department may develop and maintain a laboratory to provide disease and pest analytical services required to carry out the provisions of this part. The laboratory may be authorized by the department to provide services to persons possessing any bees or equipment on a fee basis pursuant to 80-6-201(3).

**History: En. Sec. 9, Ch. 198, L. 1987.**

## Parts 4 through 10 reserved

## Part 11

## Alfalfa Leaf-Cutting Bees

**80-6-1101. Short title.** This part may be cited as the "Alfalfa Leaf-Cutting Bee Management Act".

**History: En. Sec. 1, Ch. 331, L. 1981; amd. Sec. 1, Ch. 310, L. 1987.**

**80-6-1102. Definitions.** As used in this part, the following definitions apply:

(1) "Bee" means any stage in the life cycle of a bee of the species Megachile rotundata (F), commonly known as the alfalfa leaf-cutting bee.

(2) "Certification" means the process of analyzing bees and equipment by the committee to determine whether they meet required standards.

(3) "Chalkbrood" means a fungal disease that attacks larvae of the alfalfa leaf-cutting bee.

(4) "Committee" means the alfalfa leaf-cutting bee committee established in 2-15-3005.

(5) "Custom pollinator" means a registered bee grower who for the purpose of pollination moves bees onto property not owned or leased by him.

(6) "Department" means the department of agriculture established in 2-15-3001.

(7) "Emergency situation" means a situation that requires the untimely movement of bees to a new food source. A situation may include drought, flood, hail damage, and other similar situations as defined by committee rule.

(8) "Equipment" means shelters, trays, incubators, cell removers, tumblers, and other apparatus except nesting materials used in rearing bees.

(9) "Nest destroyer" means any organism that competes with the bee larvae for nest provisions.

(10) "Nesting materials" means laminates, drilled boards, and other apparatus used in nesting bees.

(11) "Parasite" means an organism living in or on any stage of the alfalfa leaf-cutting bee obtaining nutriment from the body of the bee.

(12) "Pathogen" means an organism that causes disease in the alfalfa leaf-cutting bee.

(13) "Person" means an individual, association, partnership, or corporation.

(14) "Predator" means any organism or insect which preys on, devours, or destroys bees or nests.

(15) "Unrestricted area" means an area where a person may use new or used drilled boards, imported used laminates, or any similar material in the rearing of bees.

(16) "Wild trap" means to intentionally trap bees on property not owned or leased by the trapper.

**History: En. Sec. 2, Ch. 331, L. 1981; amd. Sec. 1, Ch. 97, L. 1983; amd. Sec. 2, Ch. 310, L. 1987; amd. Sec. 2, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In definition of certification substituted "committee" for "department"; inserted definition of chalkbrood; in definition of committee, after "bee", deleted "advisory"; inserted definitions of custom pollinator and emergency situation; in definition of equipment, after "means", deleted "grooved boards" and after "apparatus" inserted "except nesting materials"; in definition of nesting materials, after "means", deleted "equipment" and after "laminates" inserted "drilled boards"; in definition of predator, after "organism", inserted "or insect" and after "bees" inserted "or nests"; inserted definition of unrestricted area; in definition of wild trap, after "means to", inserted "intentionally"; and made minor changes in form. Amendment effective March 20, 1989.

**80-6-1103. Committee responsibilities — adoption of rules.** (1) The committee is responsible for the administration of this part.

(2) The committee shall by rule adopt minimum standards for the presence of pathogens and parasites.

(3) The committee may adopt rules establishing minimum standards for the presence of predators and nest destoyers in bees to be certified, imported, quarantined, and possessed or controlled in the state of Montana.

(4) The committee may provide information and services relating to the rearing of alfalfa leaf-cutting bees and alfalfa seed production.

(5) The committee may enter into agreements with other governmental agencies or private associations in carrying out the provisions of this part.

(6) In performing its duties under this part, the committee may:

(a) enter upon any public or private premises to inspect equipment and sample bees;

(b) by rule establish quarantines to regulate the entry of bees, equipment, and nesting material into areas of Montana specified in the quarantines;

(c) quarantine any bees, equipment, or nesting material found to be infected or contaminated at levels exceeding importation or quarantine standards;

(d) order the disinfection, destruction, or removal of any bees, equipment, or nesting material that does not meet importation or quarantine standards.

(7) Upon receiving notification of nesting material or bees that appear to be abandoned, the committee shall contact the owner as soon as possible to correct the problem. If the owner cannot be found, the nesting material or bees must be considered abandoned and the procedures for disposition of abandoned property set out in Title 70, chapter 9, part 3, must be followed.

(8) (a) Whenever the committee has reasonable cause to believe a person is in possession of any bees or equipment in violation of this part or rules adopted under it, the committee may order a quarantine of the suspected bees or equipment and may require any person in possession of the bees or equipment to hold them under specified conditions until notified otherwise in writing by the committee.

(b) The committee shall release any quarantine upon finding that the bees and equipment are in compliance with this part.

**History: En. Sec. 3, Ch. 331, L. 1981; amd. Sec. 2, Ch. 97, L. 1983; amd. Sec. 3, Ch. 310, L. 1987; amd. Sec. 3, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section changed "department" to "committee"; in (6)(b), after "equipment", inserted "and nesting material"; in (6)(c), after "equipment", inserted "or nesting material"; in (6)(d), after "equipment", inserted "or nesting material"; inserted (7) relating to abandoned nesting material or bees; and made minor changes in phraseology and punctuation. Amendment effective March 20, 1989.

**80-6-1104. Advisory duty of committee.** The committee shall advise the department with respect to any contemplated rulemaking. The committee shall meet periodically to review the minimum standards adopted under this part.

**History: En. Sec. 5, Ch. 331, L. 1981; amd. Sec. 4, Ch. 310, L. 1987; amd. Sec. 4, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end substituted "under this part" for "by the department". Amendment effective March 20, 1989.

**80-6-1105. Alfalfa leaf-cutting bees — certification.** (1) A person possessing or controlling alfalfa leaf-cutting bees in the state of Montana may annually certify all or part of his bees as provided in this section.

(2) To certify bees, a person must file a completed application form provided by the department, together with a fee set by rule. The applicant must provide the following:

(a) name and place of residence;

(b) the general location and number of bees to be certified; and

(c) other relevant information as may be required by committee rule.

(3) After receipt of an application for certification, a sample of the total population of bees to be certified shall be selected by the committee or its agent in a manner prescribed by the committee. The sample shall be analyzed for pathogens, parasites, predators, nest destroyers, and live larvae count. If certification standards are met, the sample shall be certified.

(4) All bees to be certified may be stored in containers which can be officially sealed after sampling to maintain their certification identity.

(5) When the committee has in its possession a completed application form, an appropriate fee, and a report that the sample meets certification standards, it may issue a certificate for the bees.

(6) The committee shall by rule specify the date by which any applicant must apply for recertification the following year.

**History: En. Sec. 6, Ch. 331, L. 1981; amd. Sec. 3, Ch. 97, L. 1983; amd. Sec. 6, Ch. 310, L. 1987; amd. Sec. 5, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section changed "department" to "committee"; near middle of introductory clause in (2) substituted "a fee set by rule" for "the certification fee set by department rule"; in (2)(a) substituted "certified" for "registered"; at end of second sentence of (3) deleted "and sex ratio"; in (5), before "fee", substituted "an appropriate" for "a certification"; near beginning of (6) inserted "by rule" and deleted last sentence that read: "Applications for certification received after the date specified shall be assessed a penalty equal to 10% of the applicable certification fee but not exceeding $50"; and made minor change in phraseology. Amendment effective March 20, 1989.

**80-6-1106. Bee laboratory authorized.** The committee or its agent may develop and maintain a laboratory for the purpose of providing analytical services required to carry out the provisions of this part. The laboratory may be authorized by the committee to provide services to persons possessing any bees or equipment on a fee-for-service basis.

**History: En. Sec. 7, Ch. 331, L. 1981; amd. Sec. 1, Ch. 51, L. 1985; amd. Sec. 7, Ch. 310, L. 1987; amd. Sec. 6, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In two places substituted "committee" for "department". Amendment effective March 20, 1989.

**80-6-1107. Restrictions on importing bees.** (1) All bees to be imported shall meet importation, quarantine, and certification requirements established under 80-6-1103 and must be registered in accordance with 80-6-1111.

(2) Prior to the importation of any bee, the importer shall file a completed application form as required in 80-6-1105(2) and arrange an approximate date and time for official sampling.

(3) Bees may not be imported except in loose cells or as adults. Bees may not be imported in a drilled board, soda straw, or other equipment that prevents adequate sampling of the bees.

(4) A representative sample of the population of bees imported shall be the basis for certification.

(5) A bee may not be certified unless all other requirements for certification provided in 80-6-1105 are met.

**History: En. Sec. 8, Ch. 331, L. 1981; amd. Sec. 4, Ch. 97, L. 1983; amd. Sec. 8, Ch. 310, L. 1987; amd. Sec. 7, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (3) that read: "(3) Every imported bee must be shipped to a storage facility designated by the department for sampling purposes. Prior to certification, each bee, container, and piece of associated equipment must be quarantined at the designated storage facility"; deleted former (6) that read: "(6) No person may import used equipment or nesting materials"; and made minor changes in phraseology. Amendment effective March 20, 1989.

**80-6-1108. Restrictions on the rearing, moving, selling, and trapping of bees and the movement of used nesting material.** (1) A person may not rear any bee in a drilled board or a nesting material from which samples of loose larval cells cannot readily be obtained, except in an unrestricted area.

(2) A person may not move any quarantined bee or equipment except by special permit issued by the committee.

(3) A person may not wild trap or attempt to wild trap bees unless that person has been issued a permit for such activity in accordance with rules adopted by the committee. The committee shall by rule establish the permit fee.

(4) A person may not sell bees for use in Montana unless the bees are officially certified in accordance with 80-6-1103 and 80-6-1105.

(5) Any purchase of used nesting material in the state must be reported to the committee.

**History: En. Sec. 9, Ch. 331, L. 1981; amd. Sec. 5, Ch. 97, L. 1983; amd. Sec. 9, Ch. 310, L. 1987; amd. Sec. 8, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of (1) inserted "except in an unrestricted area"; in (2) and (3), in two places, substituted "committee" for "department"; in (4), after "sell", deleted "or distribute" and before "in Montana" inserted "for use"; inserted (5) that read: "(5) Any purchase of used nesting material in the state must be reported to the committee"; and made minor changes in phraseology. Amendment effective March 20, 1989.

**80-6-1109. Fees to be set by rule — self-supporting program — enterprise fund established.** (1) Fees authorized to be charged by this part must be set by committee rule. The fees must be designed to reimburse the committee for costs incurred in providing services and carrying out its duties under this part. It is the intent of the legislature that committee activities under this part be self-supporting.

(2) There is an enterprise fund known as the leaf-cutting bee fund for use by the committee. Fees collected under this part must be paid into the leaf-cutting bee fund.

(3) The committee may direct the board of investments to invest money from the fund pursuant to the provisions of the unified investment program. The income from such investments must be credited to the leaf-cutting bee fund.

**History: En. Sec. 10, Ch. 331, L. 1981; amd. Sec. 42, Ch. 281, L. 1983; amd. Sec. 10, Ch. 310, L. 1987; amd. Sec. 9, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section changed "department" to "committee"; and made minor changes in phraseology. Amendment effective March 20, 1989.

**80-6-1110. Violation — penalty.** A person who imports, possesses, controls, moves, or wild traps or attempts to import, possess, control, move, or wild trap any bee or equipment in violation of this part or who interferes with or attempts to interfere with the efforts of the committee or its agent to perform its duty under this part is guilty of a misdemeanor and upon conviction shall be fined not less than $300 or more than $500 for the first conviction and not less than $300 or more than $1,000 for each subsequent conviction.

**History: En. Sec. 11, Ch. 331, L. 1981; amd. Sec. 10, Ch. 167, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle substituted "committee" for "department". Amendment effective March 20, 1989.

**80-6-1111. Alfalfa leaf-cutting bees — registration.** (1) A person may not possess or control alfalfa leaf-cutting bees in this state unless the bees are registered annually as provided in this section.

(2) To register bees, a person must file a completed application form provided by the department, together with the registration fee set by rule. The applicant must provide the following:

(a) name and place of residence;
(b) the general location of bees to be registered; and
(c) other relevant information as may be required by committee rule.

(3) The committee shall by rule specify the date by which any applicant nust apply for reregistration each year. Applications for reregistration eceived after the date specified must be assessed a penalty equal to 50% of he applicable registration fee.

**History:** **En. Sec. 5, Ch. 310, L. 1987; amd. Sec. 11, Ch. 167, L. 1989.**

**ompiler's Comments**

*1989 Amendment:* In (2)(c) substituted "comittee" for "department"; deleted former (3) hat read: "(3) One sample of the bees to be egistered must be sent to the department by the eekeeper or his agent. This sample must be nalyzed for pathogens and parasites at no cost to the beekeeper. Additional samples may be sent to the department for analysis on a fee-for-service basis as established by rule"; at beginning of (3) substituted "committee" for "department" and after "shall" inserted "by rule"; and made minor changes in phraseology. Amendment effective March 20, 1989.

**80-6-1112. Funding limitation.** (1) The committee shall expend only hose funds which are raised by fees under this part. In the event that funds re insufficient to finance the costs of services under this part, the committee nay reduce services accordingly.

(2) The committee may contract lab services with a qualified person and harge growers at cost on a per-sample basis.

(3) The committee may levy a fee set by committee rule not to exceed 30 ents for each 3,000 holes of nesting material deeper than 3 ½ inches for the urpose of administering this part and for the sampling and testing of bees. or nesting material 3 ½ inches deep or less, the fee may not exceed 16 cents er 2,000 holes of nesting material.

(4) Fees must be based on all nesting materials that are in field use on uly 15 of each year. Fees are due on November 1 of each year.

(5) The amount of fees paid must be credited against a grower's cost of ampling and certification.

(6) Certification fees for drilled boards or loose cells may not exceed comnittee cost.

**History:** **En. Sec. 11, Ch. 310, L. 1987; amd. Sec. 12, Ch. 167, L. 1989.**

**ompiler's Comments**

*1989 Amendment:* In (1), in two places, hanged "department" to "committee"; inserted (2) regarding contracting of lab services; and inserted (3) through (6) relating to certification fees. Amendment effective March 20, 1989.

**80-6-1113. Unrestricted area classification — penalty.** (1) A regisered bee grower may establish an unrestricted area by obtaining written ermission of all bee growers within a 5-mile radius of his alfalfa seed fields. vidence of the permission must be recorded with the committee.

(2) Unrestricted area classification may be rescinded by unanimous writen consent of all registered bee growers within the unrestricted area.

(3) A penalty of up to $1,000 shall be levied against a person who violates his section.

**History:** **En. Sec. 13, Ch. 167, L. 1989.**

**ompiler's Comments**

*Effective Date:* Section 17, Ch. 167, L. 1989, rovided that this section is effective March 20, 989.

**80-6-1114. Identification.** Each bee grower shall print his name, address, and telephone number on each shelter or on at least 10% of the nesting material in each shelter.

**History: En. Sec. 14, Ch. 167, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 17, Ch. 167, L. 1989, provided that this section is effective March 20, 1989.

**80-6-1115. Custom pollinating.** (1) A custom pollinator may move bees, equipment, and nesting material into an area other than his own provided he has first received permission from all registered bee growers within a 5-mile radius of the fields he intends to pollinate. This permission must be based on management practices rather than personal factors. This permission must be reported to the committee by June 1 and before the movement of bees, equipment, and nesting material. Once permission is granted, the custom pollinator qualifies as a registered bee grower within that area for as long as he pollinates in that area. If permission is denied, the requestor may petition the committee to determine if the denial was based on management practices. This determination must be made by the committee in accordance with Title 2, chapter 4, part 6.

(2) Between June 1 and September 1, a person may move his bees in an emergency situation by reporting the emergency situation to the committee by phone. He shall give proof of written permission within 10 days.

(3) Committee-certified bees that are found by the committee to be free from chalkbrood may be moved into any area without permission. Notice must be given to the department prior to movement.

**History: En. Sec. 15, Ch. 167, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 17, Ch. 167, L. 1989, provided that this section is effective March 20, 1989.

# CHAPTER 7

# DISEASE, PEST, AND WEED CONTROL

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80-7-503. Duties of department.
80-7-504. Financing of control program.
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80-7-506. Rangeland control programs.
80-7-507. Administrative rules.
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### Part 7 — Weed Control

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### Part 8 — Noxious Weed Management Funding

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80-7-810. Disposition of proceeds.
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80-7-813. Acceptance and expenditure of gifts and other funds.
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80-7-1101. Department to operate vertebrate pest management program.
80-7-1102. Expenditures authorized.
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**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — crop or grain liens for spraying or dusting, Title 71, ch. 3, part 9.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

## Part 1

## Control of Diseases and Insects in Nurseries

**Part Cross-References**

Rodent Control Districts, Title 7, ch. 22, part 22.

County insect control, Title 7, ch. 22, part 23.

Weed control fee — motor vehicle registration, 61-3-510.

**80-7-101. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Nursery stock" means botanically classified hardy perennial or biennial plants, trees, shrubs, vines, either domesticated or wild plants, cuttings, grafts, scions, buds, bulbs, rhizomes, or roots of them, and other plants and plant parts for or capable of propagation. The term does not include vegetable, field, or flower seed or corms and tubers.

(2) "Person" means a person, firm, or corporation.

(3) "Seasonal nurseryman" means a person engaged in the business of selling, dealing in, or importing into the state for sale or distribution any nursery stock which is for sale only during certain growing seasons and whose place of business is open only during certain growing seasons and not continuously throughout the year.

**History: En. 3-1201.1 by Sec. 53, Ch. 218, L. 1974; amd. Sec. 1, Ch. 155, L. 1975; R.C.M. 1947, 3-1201.1.**

**80-7-102. License required of nurserymen — application and payment of fees.** (1) A person, before engaging in the business of selling, dealing in, or importing nursery stock into this state for sale or distribution or acting as agent, salesman, or solicitor for any nurseryman or dealer in nursery stock or soliciting orders for the purchase of nursery stock, must obtain a license for each place of business from the department. A person may not falsely represent that he is an agent, salesman, solicitor, or representative of any nurseryman or dealer in nursery stock.

(2) The department shall provide application forms for prospective licensees. Applications for licenses may be made at any time before engaging in business, except seasonal nurserymen must make application at least 30 days in advance of doing business in this state.

(3) Licenses shall be in the name of the person licensed and shall indicate the purpose for which issued and the name and location of the nursery or place of business of the nurseryman or dealer licensed or represented by an agent, salesman, or solicitor. Licenses, except seasonal nurserymen's licenses, shall bear the date of issue and expire July 1 next following the date of issue. Seasonal nurserymen's licenses shall bear the date of issue and expire on the date provided on the license by the department.

(4) The license fee is $50 a year for a general nursery, dealing in all kinds of nursery products; $35 a year for a nursery dealing in small fruits, ornamental shrubs, bulbs, and perennials; $20 a year for a nursery dealing in bulbs and perennials only; and $50 a year for seasonal nurserymen. Agents, salesmen, and solicitors for licensed nurseries shall be granted salesmen's licenses, free of charge, upon the request of the licensee.

**History: En. Sec. 1, Ch. 220, L. 1943; amd. Sec. 1, Ch. 121, L. 1963; amd. Sec. 63, Ch. 218, L. 1974; amd. Sec. 1, Ch. 151, L. 1975; R.C.M. 1947, 3-1212; amd. Sec. 3, Ch. 300, L. 1979; amd. Sec. 6, Ch. 620, L. 1987.**

**Cross-References**

Carrying on business without license — penalty, 7-21-2113.

**80-7-103. Renewal of license.** A licensed nurseryman or dealer in nursery stock who has complied with this part is entitled, upon the expiration of his license, to have the license renewed. The license shall be renewed upon payment of the proper fee.

**History:** En. Sec. 2, Ch. 220, L. 1943; amd. Sec. 64, Ch. 218, L. 1974; R.C.M. 1947, 3-1213.

**80-7-104. Grounds for refusal or revocation of license.** The department may refuse to issue a license or it may revoke a license under this part when:

(1) the person has been adjudged bankrupt, insolvent, or guilty of fraud or deceit by a court of competent jurisdiction; or

(2) a verified complaint is made to the department that a licensee has failed to comply with this part or the horticulture laws.

**History:** En. Sec. 3, Ch. 220, L. 1943; amd. Sec. 65, Ch. 218, L. 1974; R.C.M. 1947, 3-1214.

**80-7-105 through 80-7-110 reserved.**

**80-7-111. Sales of nursery stock — inspection — fee.** (1) A person who sells or delivers any nursery stock not previously inspected under this part shall notify the department of agriculture of the sale or delivery. The department, after receiving the notice, shall inspect the nursery stock as soon as practicable. If the nursery stock is free from diseases and pests, the department shall so certify and shall attach a certificate of inspection to each lot or bill of nursery stock inspected.

(2) The department may designate certain places as quarantine stations where all nursery stock brought into the state shall be inspected and disinfected.

(3) If any nursery stock is diseased or infested with any of the pests mentioned in 80-7-204, the department shall order its disinfection or destruction together with all boxes, wrapping, or packing. If the department has ordered the destruction of any nursery stock, it shall notify the owner who may appeal to the director of agriculture before the destruction. The director's decision concerning the disposition of the nursery stock is final.

(4) The department shall fix by rule, after a hearing, the charges for disinfecting, fumigating, and inspecting nursery stock. Notice of the hearing on the proposed charges shall be published once in three newspapers of general circulation in this state.

(5) The charge for inspecting each carload of nursery stock is $10 or a proportionate sum fixed by the department for less than carload lots.

(6) The department shall collect all fees required by this section and may not give a certificate of inspection until the fees are paid.

**History:** En. Sec. 43, Ch. 216, L. 1921; re-en. Sec. 3614, R.C.M. 1921; re-en. Sec. 3614, R.C.M. 1935; amd. Sec. 1, Ch. 112, L. 1939; amd. Sec. 1, Ch. 89, L. 1945; amd. Sec. 52, Ch. 218, L. 1974; R.C.M. 1947, 3-1201.

**80-7-112. Request for inspector's services — costs — certificate of inspection.** Any person may request, upon the payment of actual costs to the department, the services of a horticultural inspector to inspect and certify plant products. Subsequent to inspection such horticultural inspector may issue to the person a certificate of inspection signed by him covering any plant product in compliance with rules of the department.

**History: En. 3-1201.2 by Sec. 1, Ch. 150, L. 1975; R.C.M. 1947, 3-1201.2.**

**80-7-113. Duty to notify department of infection.** The owner or manager of an orchard, nursery, storeroom, packing house, or other place where horticultural products or supplies are kept or handled which becomes diseased or infested with any injurious insect or pest, immediately upon discovery of the existence of the disease or pest, shall notify the department. The owner or manager, at his expense, shall comply with the instructions of the department for the eradication of the disease or pest.

**History: En. Sec. 1926, Rev. C. 1907 by Sec. 1, Ch. 121, L. 1911; re-en. Sec. 3616, R.C.M. 1921; re-en. Sec. 3616, R.C.M. 1935; amd. Sec. 55, Ch. 218, L. 1974; R.C.M. 1947, 3-1203.**

**80-7-114. Removal of infected trees — assessment of costs.** (1) If a person owning any orchard or nursery stock infected or infested with any injurious insect pest or disease and which becomes a menace to the agricultural or fruit industry or a menace to ornamental trees, shrubs, plants, or vines fails to comply with the instructions of the department for the destruction or control of the injurious insect pest or disease or the destruction of the infested or infected orchard or nursery stock within the time specified by the department, the department may condemn, remove, or destroy the orchard or nursery stock or treat it with a proper remedy.

(2) If an owner fails to pay the cost of the removal, treatment, or destruction within 30 days after notice has been mailed to the owner at his last-known post-office address and to any purchaser of the property under contract for deed at his last-known post-office address, the cost shall become a lien on the land of the owner and shall be added by the county treasurer to the taxes upon the property and collected as other taxes.

**History: En. Sec. 45, Ch. 216, L. 1921; re-en. Sec. 3617, R.C.M. 1921; re-en. Sec. 3617, R.C.M. 1935; amd. Sec. 1, Ch. 86, L. 1939; amd. Sec. 56, Ch. 218, L. 1974; R.C.M. 1947, 3-1204; amd. Sec. 22, Ch. 526, L. 1983.**

**80-7-115. Prohibition against delivery of uninspected nursery stock.** A person may not receive or deliver any nursery stock unless a certificate issued by the department is attached to the nursery stock.

**History: En. Sec. 46, Ch. 216, L. 1921; re-en. Sec. 3618, R.C.M. 1921; re-en. Sec. 3618, R.C.M. 1935; amd. Sec. 57, Ch. 218, L. 1974; R.C.M. 1947, 3-1205.**

**80-7-116. Notice to department of shipment of nursery stock.** A person licensed to do business under this part shall notify the department of his intention to ship nursery stock not previously inspected in accordance with this part to any point in this state. The notice shall contain the name and address of both the consignor and consignee, the list of the goods to be shipped, the freight or express office at which the goods are to be delivered, and the name or title of the transportation company from whom the consignee is to receive the goods. The notice shall be mailed at least 5 days before the day of shipment.

**History: En. Sec. 48, Ch. 215, L. 1921; re-en. Sec. 3620, R.C.M. 1921; re-en. Sec. 3620, R.C.M. 1935; Sec. 58, Ch. 218, L. 1974; R.C.M. 1947, 3-1206.**

**80-7-117. Receiving uninspected nursery stock prohibited.** A person who receives and accepts any nursery stock that has not been inspected by the department shall, before using or disposing of the nursery stock, first notify the department and give it an opportunity to examine and, if necessary, fumigate the nursery stock.

**History:** En. Sec. 49, Ch. 216, L. 1921; re-en. Sec. 3621, R.C.M. 1921; re-en. Sec. 3621, R.C.M. 1935; amd. Sec. 59, Ch. 218, L. 1974; R.C.M. 1947, 3-1207.

**80-7-118. Right to hold nursery stock for inspection.** No person is liable to any other person for any damage to any nursery stock caused by holding it to await the certificate of the department.

**History:** En. Sec. 1929, Rev. C. 1907 by Sec. 1, Ch. 121, L. 1911; re-en. Sec. 3623, R.C.M. 1921; re-en. Sec. 3623, R.C.M. 1935; amd. Sec. 60, Ch. 218, L. 1974; amd. Sec. 2, Ch. 155, L. 1975; R.C.M. 1947, 3-1209.

**80-7-119. Inspection of Montana nursery stock — certificate.** (1) Before it is packed for delivery, all nursery stock grown or growing in this state and used for filling orders shall be inspected by the department. The nursery stock shall be disinfected by fumigating or other method when considered necessary by the department. If the nursery stock is clean and free from insects and fungi pests, the department shall issue a certificate to the nurseryman. The certificate shall entitle the nurseryman to use that stock for filling orders for current delivery. The certificate shall be furnished at a price not exceeding 40 cents per hundred.

(2) Nurseries shall give the department 5 days' notice of the time when the stock will be ready for inspection.

**History:** En. Sec. 50, Ch. 216, L. 1921; re-en. Sec. 3624, R.C.M. 1921; re-en. Sec. 3624, R.C.M. 1935; amd. Sec. 61, Ch. 218, L. 1974; R.C.M. 1947, 3-1210.

**80-7-120. Duplicate copies of orders for nursery stock required.** (1) A nurseryman or dealer in nursery stock and a salesman, solicitor, and agent shall give to a person ordering nursery stock a duplicate copy of the order which shall show:

(a) the name and location of the nursery where the stock was grown;

(b) the name of the nurseryman from whom ordered and the name of the solicitor, salesman, or agent taking the order;

(c) the date of the order and when delivery is to be made;

(d) the number, name, age, and price of the variety of tree or plant ordered.

(2) Upon shipment into this state from any point outside this state of any nursery stock by a person not licensed to do business in this state, the person receiving the nursery stock shall have it inspected by the department and shall pay an inspector's fee of 10% of the invoice price of the shipment. The minimum fee for the inspection shall be 50 cents and the actual and necessary traveling expenses of the inspector. No inspection fees may be collected in excess of the regular inspection fees where the stock is shipped to a person licensed under this part.

**History:** En. Sec. 5, Ch. 220, L. 1943; amd. Sec. 66, Ch. 218, L. 1974; R.C.M. 1947, 3-1216.

**80-7-121 through 80-7-130 reserved.**

**80-7-131. Department rules and orders.** Every person in charge or control of a nursery, orchard, storeroom, packinghouse, or other place where horticultural products or supplies are handled or kept shall comply with the rules of the department and shall disinfect or destroy diseased or infected nursery stock or other horticultural supplies or products when ordered to do so by the department.

**History:** **En. Sec. 44, Ch. 216, L. 1921; re-en. Sec. 3615, R.C.M. 1921; re-en. Sec. 3615, R.C.M. 1935; amd. Sec. 54, Ch. 218, L. 1974; R.C.M. 1947, 3-1202.**

**Cross-References**

"Department" defined, 80-1-101.

**80-7-132. Cooperation — agreements with other governmental agencies.** The director may cooperate with and enter into agreements with governmental agencies of this state, other states, and agencies of the federal government in order to carry out the purpose and provisions of this part.

**History:** **En. 3-1219 by Sec. 1, Ch. 149, L. 1975; R.C.M. 1947, 3-1219.**

**80-7-133. Acts made unlawful — penalty.** (1) It is unlawful for any person to:

(a) falsely represent or misrepresent the name, age, variety, or class of any nursery stock sold or offered for sale;

(b) falsely represent or state that any nursery stock offered for sale, sold, or delivered was grown in or came from a certain nursery or locality, when in fact such nursery stock was grown in or came from another location or nursery;

(c) deceive or defraud any person in the sale of any nursery stock by substituting inferior or different varieties or ages from those ordered; or

(d) willfully or intentionally bring into this state, offer for sale or distribution within this state or ship, sell, or deliver upon any sale any nursery stock that is infected or infested with any disease or insect dangerous to the horticultural interests of the state.

(2) In case of such misrepresentation, false representation, deceit, fraud, or substitution, such person is subject to punishment as provided by 80-7-134 and is liable to the person, firm, or corporation damaged or injured thereby, to the extent of all damages sustained, to be recovered in a civil action in any court of competent jurisdiction.

**History:** **En. Sec. 4, Ch. 220, L. 1943; amd. Sec. 15, Ch. 13, L. 1977; R.C.M. 1947, 3-1215.**

**80-7-134. Penalty for violation.** A person violating this part is guilty of a misdemeanor and shall be fined not less than $25 or more than $300.

**History:** **En. Sec. 51, Ch. 216, L. 1911; re-en. Sec. 3625, R.C.M. 1921; re-en. Sec. 3625, R.C.M. 1935; Sec. 3-1211, R.C.M. 1947; amd. and redes. 3-1218 by Sec. 62, Ch. 218, L. 1974; R.C.M. 1947, 3-1218.**

## Part 2

## Fruit and Vegetable Pest and Disease Control

**Part Cross-References**

Rodent Control Districts, Title 7, ch. 22, part 22.

**80-7-201. Destruction of fruit pests — use of crates.** (1) The department of agriculture may adopt rules to prevent the spread of contagious disease among fruit and fruit trees; to prevent, treat, and destroy fruit pests and diseases of fruit and fruit trees; and to disinfect grafts, scions, and orchard debris, empty fruit boxes or packages, or other suspected material or transportable articles dangerous to orchards, fruit, and fruit trees. The rules shall be circulated in printed form by the department among fruit growers and fruit dealers of the state, shall be published at least 10 days in two newspapers of general circulation in the state, and shall be posted in three conspicuous places in each county in the state, one of which shall be at the county courthouse.

(2) No person may use a second time any crate, box, barrel, package, or wrapping which previously contained nursery stock. However, at the written request of a nurseryman, the department may permit boxes or packages which previously contained nursery stock to be thoroughly fumigated in the presence of an inspector, at the expense of the nurseryman. The department shall give a receipt and mark the box or package. Otherwise, the box or package must be destroyed in its entirety, and possession of the crate, box, barrel, package, or wrapping by a person or dealer, other than the consignee, is prima facie evidence of a violation of this part.

(3) The department may seize and destroy by burning, without breaking, an infected or unlawfully used crate, box, barrel, package, or wrapping wherever found and prosecute the violator.

**History:** En. Sec. 39, Ch. 216, L. 1921; re-en. Sec. 3610, R.C.M. 1921; re-en. Sec. 3610, R.C.M. 1935; amd. Sec. 1, Ch. 29, L. 1963; amd. Sec. 49, Ch. 218, L. 1974; R.C.M. 1947, 3-1103.

**80-7-202. Inspectors — appointment and duties.** The department shall appoint inspectors of fruit pests, who shall be selected with reference to their knowledge and practical experience in horticulture. Inspectors shall visit the nurseries, orchards, stores, packinghouses, warehouses, and other places where horticultural products and fruits are kept and shall see that the rules of the department and the laws of the state pertaining to the disinfection of fruits, trees, plants, grafts, orchard debris, and empty fruit boxes and other material are complied with. Inspectors shall have access at all times to all orchards or places where horticultural products or supplies are kept or handled. They shall enforce the rules of the department and may order the destruction and disinfection of infected trees, plants, fruits, or horticultural products or supplies.

**History:** En. Sec. 40, Ch. 216, L. 1921; re-en. Sec. 3611, R.C.M. 1921; re-en. Sec. 3611, R.C.M. 1935; amd. Sec. 50, Ch. 218, L. 1974; R.C.M. 1947, 3-1104.

**Cross-References**

"Department" defined, 80-1-101.

**80-7-203. Investigation of source, control, and destruction of insect pests.** The department may investigate the source, control, and destruction of insect pests and fungus and bacterial diseases of orchards, trees, shrubs, plants, or nursery stock in this state.

**History:** En. Sec. 42, Ch. 216, L. 1921; re-en. Sec. 3613, R.C.M. 1921; re-en. Sec. 3613, R.C.M. 1935; amd. Sec. 51, Ch. 218, L. 1974; R.C.M. 1947, 3-1106.

**80-7-204. Importation and sale of infected fruits and vegetables prohibited.** A person may not import into this state, sell, barter, or otherwise dispose of, offer for sale, or possess for sale or barter any fruit or vegetable which is or has been infested with San Jose scale or the larvae of the coddling moth or other insect pest or disease dangerous to agriculture. The fact that any fruit or vegetable bears the mark of any such insect or is worm-eaten by the larvae of the coddling moth or shows the effect of disease is conclusive evidence that the fruit or vegetable is infected. Infected fruit or vegetables may be condemned and confiscated by the department. Nothing in this section prevents the growers of the infected fruit or vegetable from manufacturing it into a byproduct or selling and shipping it to a byproduct factory after obtaining a written permit from the department.

**History:** **En. Sec. 1935, Rev. C. 1907 by Sec. 1, Ch. 121, L. 1911; amd. Sec. 1, Ch. 99, L. 1915; re-en. Sec. 3626, R.C.M. 1921; re-en. Sec. 3626, R.C.M. 1935; amd. Sec. 1, Ch. 90, L. 1939; amd. Sec. 67, Ch. 218, L. 1974; R.C.M. 1947, 3-1301.**

**Cross-References**

Sales of nursery stock, 80-7-111.

**80-7-205. Quarantine of orchards.** (1) The department may quarantine an orchard or place where fruits are grown or kept that is infested with an injurious disease or insect pest. The department may adopt rules governing quarantines and regulating or restricting the use of quarantined fruits upon the premises or the shipment or disposition of them as necessary to prevent the spreading of disease or diseases or insect pests.

(2) A person may not ship or dispose of diseased or infested fruit or fruit products in violation of the order of the department.

**History:** **En. Sec. 52, Ch. 216, L. 1921; re-en. Sec. 3627, R.C.M. 1921; re-en. Sec. 3627, R.C.M. 1935; amd. Sec. 68, Ch. 218, L. 1974; R.C.M. 1947, 3-1302.**

**80-7-206. Expenses of eradicating orchard diseases — collection as tax.** (1) When, under the direction or rules of the department, any money is spent by it to eradicate any disease or insect pest from an orchard or other place where fruits are grown or kept, the department shall notify the owner of the orchard or premises and any purchaser of the property under contract for deed in writing of the amount spent plus an additional charge of 25% of the amount spent. The notice shall be mailed to the last-known address of the owner or purchaser under contract for deed.

(2) If the owner fails to pay the amount spent by the department plus the additional charge of 25% within 30 days of the time the notice is sent, the department shall file a verified statement with the county treasurer where the money was spent. The statement shall set forth the amount spent plus the additional charge of 25%, together with the correct description of the property on which the money was spent as it appears on the assessment roll of the county.

(3) The county treasurer shall add the amount contained in the statement to the taxes upon the property and shall collect them in the manner provided for collection of state and county taxes.

(4) The county treasurer in any county where any money is collected as provided in subsection (3) shall, on or before February 1 each year, remit the

amount to the state treasurer, who shall deposit same to the credit of the general fund of the state.

**History:** **(1) thru (3)En. Sec. 53, Ch. 216, L. 1921; re-en. Sec. 3628, R.C.M. 1921; re-en. Sec. 3628, R.C.M. 1935; amd. Sec. 69, Ch. 218, L. 1974; Sec. 3-1303, R.C.M. 1947; (4)En. Sec. 54, Ch. 216, L. 1921; re-en. Sec. 3629, R.C.M. 1921; re-en. Sec. 3629, R.C.M. 1935; Sec. 3-1304, R.C.M. 1947; R.C.M. 1947, 3-1303, 3-1304; amd. Sec. 23, Ch. 526, L. 1983.**

**Cross-References**

Collection of property taxes, Title 15, ch. 16.

**80-7-207. Quarantine against insect pests and plant diseases in other states.** If the governor believes that any pest, gypsy moth, browntail moth, Mediterranean fruit fly, potato wart, potato canker, black scab, potato ellworm, pea weevil, alfalfa weevil, alfalfa blight, flax canker, flax wilt, or other fruit or plant disease or insect pest dangerous or inimical to the horticultural or the agricultural industry exists in certain localities in another state, territory, or country or that conditions exist that render domestic horticultural stock or agricultural crops or plants likely to become diseased, he must by proclamation designate the localities. The governor shall prohibit the importation from those localities of any tubers, plants, nursery stock, fruit, or seeds or agricultural crops, plants, or seeds likely to introduce or spread infection, contagion, or insect pests into the state, except under restrictions he, after consulting with the department and the cooperative extension service, considers proper.

**History:** **En. Sec. 1, Ch. 61, L. 1913; re-en. Sec. 3631, R.C.M. 1921; re-en. Sec. 3631, R.C.M. 1935; amd. Sec. 71, Ch. 218, L. 1974; R.C.M. 1947, 3-1306.**

**80-7-208. Governor to establish quarantine against insect pests.** Whenever the governor of this state has good reason to believe that any pest, gypsy moth, browntail moth, potato wart, potato canker, black scab, potato ellworm, pea weevil, alfalfa weevil, alfalfa blight, flax canker, flax wilt, or other plant disease or insect pest, dangerous or inimical to the agricultural or horticultural industry, exists within any county or locality within the state, it shall be specifically understood that he has authority to quarantine any county, district, locality, or ranch and it shall be his duty to prescribe and enforce such rules as may be necessary to prevent the movement of any designated articles or materials whatever across the boundaries of such quarantined counties, districts, localities, or ranches and for the control and eradication of such pests or diseases.

**History:** **En. Sec. 2, Ch. 61, L. 1913; amd. Sec. 1, Ch. 89, L. 1921; re-en. Sec. 3632, R.C.M. 1921; re-en. Sec. 3632, R.C.M. 1935; R.C.M. 1947, 3-1307.**

**80-7-209. Receiving products from infected districts prohibited.** After publication of the governor's proclamation, a person may not knowingly receive any tubers, plants, nursery stock, fruit, seeds, or agricultural crops, plants, or weeds from a prohibited district and a person may not transport, convey, sell, or use them in this state. A person who violates this section is subject to the penalty provided in 80-7-210 and is liable for the damages caused to a person by the importation or transportation.

**History:** **En. Sec. 3, Ch. 61, L. 1913; re-en. Sec. 3633, R.C.M. 1921; re-en. Sec. 3633, R.C.M. 1935; amd. Sec. 72, Ch. 218, L. 1974; R.C.M. 1947, 3-1308.**

**80-7-210. Penalty.** A person who violates this part is guilty of a misdemeanor and shall be fined not less than $25 or more than $300.

**History: En. 3-1309 by Sec. 73, Ch. 218, L. 1974; R.C.M. 1947, 3-1309; amd. Sec. 188, Ch. 575, L. 1981.**

## Part 3

## Barberry Control

**Part Cross-References**
County weed control, 7-14-2132; Title 7, ch. 22, part 21.

**80-7-301. Harmful barberry defined.** (1) The term "harmful barberry", as used in this part, shall be construed to apply to any species of Berberis and, as hereinafter provided for, to Mahonia which are susceptible to infection by Puccinia graminis, commonly called blackstem rust of grain, but not including Japanese barberry (B. thunbergii), which does not propagate the rust.

(2) The department may apply this part to species of Mahonia when in its judgment the necessity arises.

**History: (1)En. Sec. 3, Ch. 40, L. 1919; re-en. Sec. 3605, R.C.M. 1921; re-en. Sec. 3605, R.C.M. 1935; Sec. 3-1003, R.C.M. 1947; (2)En. Sec. 4, Ch. 40, L. 1919; re-en. Sec. 3606, R.C.M. 1921; re-en. Sec. 3606, R.C.M. 1935; amd. Sec. 48, Ch. 218, L. 1974; Sec. 3-1004, R.C.M. 1947; R.C.M. 1947, 3-1003, 3-1004.**

**80-7-302. Harmful barberry — traffic in or permitting to exist unlawful.** It shall be unlawful for any person, firm, or corporation to sell, offer for sale, barter, give away, exchange, deliver, ship, transport, receive, or accept for shipment or transportation, plant, or permit to exist on his or its premises in the state of Montana, any plant of the harmful barberry.

**History: En. Sec. 1, Ch. 40, L. 1919; re-en. Sec. 3603, R.C.M. 1921; re-en. Sec. 3603, R.C.M. 1935; R.C.M. 1947, 3-1001.**

**80-7-303. Duty of department to destroy — proceedings.** (1) The department shall destroy harmful barberry plants found growing anywhere in the state. If the owner of the land on which the plants are found fails to destroy the plants within 10 days after receiving a written notice to that effect from the department, the department shall destroy the plants.

(2) The department shall then make out a statement in duplicate of the actual cost and expense incurred in destroying the plants. One copy of the statement shall be transmitted to the landowner, and the other shall be filed with the county treasurer where the land is situated.

(3) The treasurer shall place the amount indicated in the statement on the tax duplicate against the land. That amount shall be collected in the same manner and at the same time as taxes are collected. When collected, the amount shall be paid by the treasurer to the department, which shall send it to the state treasurer to be credited to the general fund.

**History: En. Sec. 2, Ch. 40, L. 1919; re-en. Sec. 3604, R.C.M. 1921; re-en. Sec. 3604, R.C.M. 1935; amd. Sec. 47, Ch. 218, L. 1974; R.C.M. 1947, 3-1002.**

**80-7-304. Violation — penalty.** Any person, firm, or corporation which shall violate any of the provisions of this part shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined any sum not less than $10 and not more than $25 for each offense.

**History:** En. Sec. 5, Ch. 40, L. 1919; re-en. Sec. 3607, R.C.M. 1921; re-en. Sec. 3607, R.C.M. 1935; R.C.M. 1947, 3-1005.

## Part 4 reserved

## Part 5

## Crop Insect Detection and Management

**Part Cross-References**

County insect control, Title 7, ch. 22, part 23.

**80-7-501. Definitions.** As used in this part, the following definitions apply:

(1) "Alternative control program" means a system of controlling insect pest populations through biological or other means not involving toxic chemicals.

(2) "Cropland" means land used for the production of food and forage, including the headlands, ditches, and rights-of-way adjacent to such land.

(3) "Cropland spraying program" means the application of chemical or other substances to croplands for the purpose of preventing or destroying insect pests.

(4) "Emergency" means a serious insect pest infestation that meets the conditions of 10-3-311.

(5) "Infestation" means that a pest exists in such numbers, under certain conditions, and at certain times as to destroy or substantially damage or threaten to destroy livestock or other agricultural crops.

(6) "Insect pest" includes the grasshopper, cutworm, pale western cutworm, armyworm, chinch bug, and any other insect or arthropod generally recognized as a destroyer of grain, hay, range, and horticulture crops.

**History:** En. 3-3501 by Sec. 1, Ch. 433, L. 1975; amd. Sec. 27, Ch. 13, L. 1977; amd. Sec. 1, Ch. 362, L. 1977; R.C.M. 1947, 3-3501(1) thru (4), (6), (7).

**80-7-502. Insect detection, surveillance, and control programs.** The department may:

(1) employ permanent and seasonal personnel to administer this part;

(2) survey for and maintain surveillance of insect pests during appropriate seasons and enter upon any croplands in the course of conducting such surveillance;

(3) provide insect pest management services to particular agricultural commodity groups for the resolution of special or unusual insect pest problems;

(4) determine or assist a county to determine, upon investigation, whether a serious infestation exists or threatens to occur within a county;

(5) declare that an insect pest infestation constitutes a serious infestation;

(6) operate, contract for, or assist a county to obtain spraying or other appropriate services to counteract an actual or threatening serious infestation, having first determined that any person contracting to supply such services

is properly equipped to apply substances designated and approved by the department;

(7) conduct, cooperate in, or coordinate upon request by any affected county, insect pest management services for serious pest infestations in one or more counties;

(8) assist counties, upon request, to coordinate county insect pest management programs in contiguous counties.

**History: En. 3-3502 by Sec. 2, Ch. 433, L. 1975; amd. Sec. 2, Ch. 362, L. 1977; R.C.M. 1947, 3-3502.**

**80-7-503. Duties of department.** The department may:

(1) develop and publish a list of pesticides approved for control of insect pests;

(2) develop and publish technical guidelines on techniques of controlling insect pests;

(3) notify a county of its survey results and state whether the infestation is normal or serious;

(4) review and comment on or review and approve all county agricultural insect pest management plans as provided by local government statutes and consider whether the plan conforms to the technical guidelines of the department and whether implementation of the plan will probably counteract the condition of insect pest infestation in a timely and proper manner;

(5) consider whether an alternative control program would be as efficient as spraying on a ratio of total costs to total benefits and provide the county with a summary of its findings prior to conducting or approving any cropland spraying program. If the alternative control program is considered adequate, the department may conduct or approve such a program.

**History: En. 3-3503 by Sec. 3, Ch. 433, L. 1975; amd. Sec. 3, Ch. 362, L. 1977; R.C.M. 1947, 3-3503; amd. Sec. 1, Ch. 53, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In introductory clause substituted "may" for "shall". Amendment effective March 7, 1989.

**Cross-References**

"Department" defined, 80-1-101.

**80-7-504. Financing of control program.** (1) One-third of the costs of a cropland spraying program or alternative program conducted by the state shall be paid by the state. Prior to the implementation of any state or county control program, the department and the governing body of any county for which the program is proposed shall enter into an interlocal or management agreement on the maximum amount of moneys each shall appropriate or provide toward the proposed program. If either party does not sign and approve the agreement, the program may not be conducted.

(2) Individual farm and ranch landowners may formally petition by written affidavit protesting their inclusion within the proposed cropland spraying program. The department or local governing body shall refrain from spraying any land petitioned to be excluded. Such excluded land remains subject to assessment under 80-7-505. The governing body of any county for which a control program is intended shall proceed as provided by local government statutes.

(3) If the department conducts the program, it shall pay all costs of the program. The county shall pay its share and the landowner's share as provided in 80-7-505 to the department for deposit in the appropriate fund.

(4) If the county conducts the program, it shall pay all costs of the program including its share. The department shall pay one-third of the costs of the cropland spraying program from moneys appropriated for that purpose to the county in which the program was conducted. The county treasurer shall collect the landowner's special assessment as provided in 80-7-505.

**History:** En. 3-3504 by Sec. 4, Ch. 433, L. 1975; amd. Sec. 4, Ch. 362, L. 1977; R.C.M. 1947, 3-3504.

**80-7-505. Computation and collection of assessments on landowners.** Each owner of cropland benefited under a cropland spraying program is liable for such portion of the landowner's share of the program costs as his cropland is a portion of all cropland within the boundaries of the program. The county treasurer shall compute each landowner's liability and mail a special assessment therefor to each owner or occupier of land within the boundaries of the program. Unless otherwise mutually agreed upon, this assessment is due and payable within 32 days of mailing or 30 days of receipt if receipt is shown to be more than 2 days after mailing. A delinquent assessment is a lien upon the land assessed.

**History:** En. 3-3505 by Sec. 5, Ch. 433, L. 1975; amd. Sec. 5, Ch. 362, L. 1977; R.C.M. 1947, 3-3505.

**80-7-506. Rangeland control programs.** The department may enter into agreements with the United States department of agriculture for cooperative programs to control insect pest infestations on rangeland and to share the costs of such programs whenever funds have been appropriated and are available for that purpose.

**History:** En. 3-3506 by Sec. 6, Ch. 433, L. 1975; amd. Sec. 6, Ch. 362, L. 1977; R.C.M. 1947, 3-3506.

**80-7-507. Administrative rules.** The department may adopt rules necessary to carry out the intent of this part.

**History:** En. 3-3507 by Sec. 7, Ch. 362, L. 1977; R.C.M. 1947, 3-3507.

**80-7-508. Duties of the cooperative extension service.** The cooperative extension service within the department of education shall conduct investigations pertaining to insects and other arthropods affecting plants and animals. When an injurious infestation of an insect or other arthropod occurs in any part of the state, the authorized employees of the cooperative extension service shall go to the scene of the infestation, shall determine the extent and seriousness of the infestation, and make public the best remedies to be employed.

**History:** En. Sec. 2, Ch. 75, L. 1967; Sec. 82-804.2, R.C.M. 1947; amd. and redes. 75-8806 by Sec. 127, Ch. 218, L. 1974; R.C.M. 1947, 75-8806.

**Cross-References**

Cooperative agricultural extension work — assents of state to acts of Congress, 20-25-226.

## Part 6 reserved

## Part 7

## Weed Control

**Part Cross-References**

County weed control, 7-14-2132; Title 7, ch. 22, part 21.

Herbicide liability restrictions, 7-22-2111.

Information on herbicide use, 7-22-2112.

**80-7-701. Embargo against introduction of noxious weed seed from other states.** If the department believes that movements of grain, plants, seed, tubers, nursery stock, hay, straw, fruit, or other materials containing noxious weed seed or plants dangerous or inimical to the horticultural or agricultural industries are about to be introduced into the state, it may advise the governor. The governor shall, by proclamation, declare an embargo against the importation or shipment of the grain, plants, tubers, nursery stock, seed, hay, straw, fruit, or other materials into the state, except under restrictions established in this part and provided in the rules adopted by the department.

**History:** **En. Sec. 4, Ch. 195, L. 1939; amd. Sec. 1, Ch. 44, L. 1965; amd. Sec. 117, Ch. 218, L. 1974; R.C.M. 1947, 16-1708.**

**80-7-702. Rules for enforcement of interstate embargo.** The department of agriculture shall adopt all necessary rules in the enforcement of an embargo proclaimed as provided in 80-7-701. The department in adopting the rules may provide for the establishment of inspection stations, the appointment of inspectors, the establishment of the inspection fees, the issuance of certificates, the methods of transporting and packaging, and other rules and procedures necessary to carry out 80-7-701 through 80-7-704.

**History:** **En. Sec. 2, Ch. 44, L. 1965; amd. Sec. 118, Ch. 218, L. 1974; R.C.M. 1947, 16-1708.1.**

**Cross-References**

Inspection by grain and seed laboratory, 80-5-108.

Agricultural seed rules, 80-5-206.

**80-7-703. Violations of interstate embargo — penalty.** Any person who refuses to obey an order of an appointed inspector or willfully disobeys the provisions of 80-7-701 through 80-7-704 shall be guilty of a misdemeanor and upon conviction shall be fined not less than $50 and not more than $500.

**History:** **En. Sec. 3, Ch. 44, L. 1965; R.C.M. 1947, 16-1708.2.**

**80-7-704. Disposition of fines and inspection fees.** All fines levied as provided in 80-7-703, except fines paid to a justice's court, and all fees collected from inspections shall be deposited with the state treasurer to the credit of the state special revenue fund for the use of the department for the purpose of administering and enforcing 80-7-701 through 80-7-704.

**History:** **En. Sec. 4, Ch. 44, L. 1965; amd. Sec. 119, Ch. 218, L. 1974; R.C.M. 1947, 16-1708.3; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 51, Ch. 557, L. 1987.**

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

State treasury fund structure, 17-2-102.

**80-7-705 through 80-7-710 reserved.**

**80-7-711. Technical assistance.** The department is authorized to provide technical assistance and services to local governments, agricultural producers, and the general public on the management and control of noxious plants. This assistance and service may include:

(1) development, compilation, and reporting of information and records on noxious plant infestations in every county;

(2) information and data on the location of noxious plants and acres infested per county and major infestations of watersheds and geographical regions of the state;

(3) a determination of the economic and environmental impact of noxious plants on Montana and its citizens;

(4) providing technical assistance to various governmental units and citizens on managing long-term noxious plant control programs;

(5) delineation and recommendation of areas in the state where management programs or certain management tools should not be utilized because of economic or environmental considerations;

(6) information on the restrictions and proper use of pesticides and other management techniques;

(7) publishing of model quarantine standards for counties desiring to provide a quarantine program for noxious plants, plant parts, and seed transported in the county; and

(8) cooperation and coordination of activities with any government agency, private industry, or citizen.

**History:** **En. 16-1724 by Sec. 1, Ch. 466, L. 1977; R.C.M. 1947, 16-1724.**

**80-7-712. Funding of noxious plant management programs.** (1) The department may make every effort to obtain federal funds under 43 U.S.C. 1242 to implement management of noxious plants on federal lands in cooperation with any federal agency and the local government body responsible for noxious plant management. These federal funds shall be directly disbursed to local governments authorized to conduct noxious plant management programs. The department may require individual or multiple local government units wishing to apply for federal funds to make proper application for the funds following the management program, budget guidelines, and policies of the department, and the requirements of 43 U.S.C. 1241 through 1243. The department shall request 3% of the total federal funds received per year to cover the complete cost of administering, monitoring, and auditing the expenditure of these federal funds.

(2) The department may cooperate in and coordinate the planning and disbursement of these funds with federal, state, and local agencies responsible for management of noxious plants.

(3) The department may directly expend or provide federal or state funds to local governments to manage or eradicate new noxious plant infestations invading federal or state lands within the state.

(4) The department may hold a public hearing in the specific locale requesting funding prior to granting the federal funds. The department may determine if there are any special requirements or restrictions that should be incorporated into the management program prior to its implementation.

**History:** **En. 16-1725 by Sec. 2, Ch. 466, L. 1977; R.C.M. 1947, 16-1725.**

**80-7-713. Reports.** The department may prepare a biennial report on the status of noxious plants and their management in Montana. Reports may be submitted to the governor and legislature and other such groups and organizations as the department considers necessary.

**History:** **En. 16-1726 by Sec. 3, Ch. 466, L. 1977; R.C.M. 1947, 16-1726.**

**80-7-714. Rules.** The department may adopt rules and policies necessary to implement 80-7-711 through 80-7-713 pursuant to the Montana Administrative Procedure Act.

**History:** **En. 16-1727 by Sec. 4, Ch. 466, L. 1977; R.C.M. 1947, 16-1727.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-7-715 through 80-7-719 reserved.**

**80-7-720. Biological agents for weed control.** (1) The department of agriculture is authorized to expend funds for the collection and distribution of biological agents to control leafy spurge and spotted knapweed. The project will reduce energy consumption by reducing the need for repeated chemical application.

(2) The department of natural resources and conservation is authorized to administratively transfer funds to the department of agriculture for the project described in subsection (1).

**History:** **En. Sec. 8, HB 621, L. 1987.**

## Part 8

## Noxious Weed Management Funding

**Part Cross-References**

County weed control, Title 7, ch. 22, part 21.

**80-7-801. Definitions.** As used in this part, the following definitions apply:

(1) "Department" means the department of agriculture established in 2-15-3001.

(2) "Herbicide" means a substance or mixture of substances for preventing, destroying, repelling, or mitigating any weed, as defined in 80-8-102. The term does not include herbicides labeled only for home, yard, or garden use and sold in containers of less than 10 pounds or 1 gallon.

(3) "Noxious weed" means any weed defined and designated as a noxious weed by rule of the department.

(4) "Retail value" means the suggested or retail price to the consumer of a given herbicide as established by the registrant, or as determined by a survey of dealers conducted by the department.

(5) "Sale" includes only the sale of a herbicide to an applicator or consumer. Sales between or to distributors, dealers, or retailers are not included.

**History:** **En. Sec. 1, Ch. 577, L. 1985; amd. Sec. 1, Ch. 15, L. 1987.**

**80-7-802. Rules.** The department may adopt rules necessary to implement this part.

**History:** **En. Sec. 8, Ch. 577, L. 1985.**

**80-7-803 and 80-7-804 reserved.**

**80-7-805. Noxious weed management advisory council.** (1) The director of the department shall appoint a noxious weed management advisory council to provide advice to the department concerning the administration of this part.

(2) If appointed, the council must be composed of nine members, as follows:

(a) the director of the department of agriculture, who shall serve as chairman;
(b) one member representing livestock production;
(c) one member representing agriculture crop production;
(d) one member from a sportsman/wildlife group;
(e) one member who is a herbicide dealer or applicator;
(f) one member from a consumer group;
(g) one member representing biological research and control interests;
(h) one member from the Montana weed control association; and
(i) one at-large member from the agricultural community.

**History: En. Sec. 9, Ch. 577, L. 1985.**

### 80-7-806 through 80-7-809 reserved.

**80-7-810. Disposition of proceeds.** Three percent of the proceeds from the fee imposed in 61-3-510 may be retained by the county treasurer for costs of collection. The remainder must be deposited in the special revenue fund and must be expended as provided in 80-7-814(2) and (3). Twenty-five percent of the money deposited in the special revenue fund under this section must be used for research and development of nonchemical methods of weed management.

**History: En. Sec. 2, Ch. 639, L. 1987.**

**Cross-References**

Weed control fee — motor vehicle registration, 61-3-510.

**80-7-811. Noxious weed management trust fund.** There is a noxious weed management trust fund, which must be funded from revenue collected under 80-7-812 and 80-7-813. The department shall administer the trust fund in accordance with this part.

**History: En. Sec. 2, Ch. 577, L. 1985.**

**80-7-812. Surcharge imposed on retail sales of herbicides — disposition of proceeds.** (1) There is imposed a surcharge of 1 cent per dollar of the retail value of all registered herbicides sold for consumer use in the state. The volume of sales of each registered herbicide must be determined by the department from records required of pesticide dealers and retailers.

(2) The surcharge must be collected by the department on an annual calendar basis from the registrant of the herbicide and is due and payable within 30 days after notice of the amount has been given to the registrant.

(3) No registrant may be allowed to reregister a herbicide if he has failed to pay in full the surcharge on his product.

(4) The department may expend or commit not more than one-half of the annual proceeds of the surcharge as provided in 80-7-814(2) and (3). All remaining annual proceeds of the surcharge and any interest income collected must be deposited into the noxious weed management trust fund.

**History: En. Sec. 3, Ch. 577, L. 1985; amd. Sec. 2, Ch. 15, L. 1987.**

**80-7-813. Acceptance and expenditure of gifts and other funds.** The department may accept gifts, grants, contracts, or other funds designated for noxious weed management. Such funds may be expended to support any weed management project or may be deposited in the noxious weed management trust fund.

**History:** **En. Sec. 4, Ch. 577, L. 1985.**

**80-7-814. Administration and expenditure of funds.** (1) Money deposited in the noxious weed management trust fund may not be committed or expended until the principal reaches $2,500,000, except as provided by 80-7-815 in case of a noxious weed emergency. Once this amount is accumulated, any interest or revenue generated by the trust fund and by other funding measures provided by this part must be deposited in the special revenue fund and may be expended for noxious weed management projects in accordance with this section, so long as the principal of the trust fund remains at least $2,500,000.

(2) The department may expend funds under this section through grants or contracts to communities, weed control districts, or other entities it considers appropriate for noxious weed management projects. A project is eligible to receive funds only if the county in which the project occurs has funded its own weed management program with a levy in an amount not less than 1.6 mills or an equivalent amount from another source or by an amount of not less than $100,000 for first class counties, as defined in 7-1-2111.

(3) The department may expend funds without the restrictions specified in subsection (2) for the following:

(a) employment of a new and innovative noxious weed management project or the development, implementation, or demonstration of any noxious weed management project that may be proposed, implemented, or established by local, state, or national organizations, whether public or private. Such expenditures must be on a cost-share basis with such organizations.

(b) cost-share noxious weed management programs with local weed control districts;

(c) special grants to local weed control districts to eradicate or contain significant noxious weeds newly introduced into the county. These grants may be issued without matching funds from the district.

(d) costs of collecting the surcharge imposed by 80-7-812, not to exceed 3% of the total surcharge proceeds;

(e) administrative expenses incurred by the noxious weed management advisory council; and

(f) any project recommended by the noxious weed management advisory council, if the department determines the project will significantly contribute to the management of noxious weeds within the state.

(4) In making such expenditures, the department must give preference to weed control districts and community groups.

(5) If the noxious weed management trust fund is terminated by law, the money in the fund must be divided between all counties according to rules adopted by the department for that purpose.

**History:** **En. Sec. 5, Ch. 577, L. 1985; amd. Sec. 3, Ch. 639, L. 1987; amd. Sec. 76, Ch. 83, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (3)(f) substituted "advisory council" for "advisory committee".

**Cross-References**

Weed control fee — motor vehicle registration, 61-3-510.

**80-7-815. Noxious weed emergency — expenditure authorized.** (1) If a new and potentially harmful noxious weed is discovered growing in the state and is verified by the department, the governor may declare a noxious weed emergency. In the absence of necessary funding from other sources, this declaration authorizes the department to allocate up to $150,000 of the principal of the noxious weed trust fund to government agencies for emergency relief to eradicate or confine the new noxious weed species.

(2) If such expenditure causes the principal of the trust fund to fall below $2,500,000, it must be replenished by proceeds of the surcharge imposed in 80-7-812.

**History:** **En. Sec. 6, Ch. 577, L. 1985.**

**80-7-816 through 80-7-820 reserved.**

**80-7-821. Penalty — enforcement.** (1) A person who violates any provision of 80-7-812 is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than $500 or more than $2,000 or by imprisonment for not less than 30 days or more than 6 months, or by both such fine and imprisonment. Upon conviction, the court shall order payment of any unpaid surcharge, together with such interest and costs as the court considers appropriate.

(2) The county attorney of the county in which the offense occurred or the attorney general shall prosecute this action.

**History:** **En. Sec. 7, Ch. 577, L. 1985.**

## Parts 9 and 10 reserved

## Part 11

## Vertebrate Pest Management

**80-7-1101. Department to operate vertebrate pest management program.** The department may establish and operate organized and systematic programs for the management and suppression of vertebrate pests. Vertebrate pests are defined as jackrabbits, prairie dogs, ground squirrels, pocket gophers, rats, mice, skunks, raccoons, bats, and the following depredatory and nuisance birds: blackbirds, cowbirds, starlings, house sparrows, and feral pigeons, when they are injurious to agriculture, other industries, and the public. For this purpose, the department may enter into written agreements with appropriate federal agencies, other state agencies, counties, associations, corporations, or individuals covering the methods and procedures to be followed in the management and suppression of these vertebrate pests, the extent of supervision to be exercised by the department, and the use and expenditure of funds appropriated, when this cooperation is necessary to promote the management and suppression of vertebrate pests. Management is the correct identification of a vertebrate pest; recognition of its biology and environmental needs; assessment of the pest's damage, injury, or nuisance to agriculture, industry, or the public prior to selecting and implementing any integrated or individual control methods to reduce, prevent, or suppress these damages, nuisances, or injuries; and evaluating the effects of these control methods.

**History:** En. Sec. 1, Ch. 136, L. 1949; amd. Sec. 44, Ch. 310, L. 1974; amd. Sec. 1, Ch. 242, L. 1975; R.C.M. 1947, 3-2701; amd. Sec. 2, Ch. 65, L. 1983; MCA 1981, 81-1-401; redes. 80-7-1101 by Sec. 4, Ch. 65, L. 1983.

**Cross-References**

County control of rodents, Title 7, ch. 22, part 22.

County vertebrate pest management, Title 7, ch. 22, part 25.

**80-7-1102. Expenditures authorized.** The department may make expenditures to:

(1) purchase equipment, materials, supplies, and personal services which are necessary to execute the functions imposed on it by this part;

(2) obtain data on vertebrate pesticide registration and research information on alternative vertebrate pest management techniques;

(3) conduct research or evaluation studies;

(4) make grants to or enter contracts with individuals, universities, other states, state or federal agencies, or other entities it considers appropriate to conduct vertebrate pest management projects;

(5) maintain and support registration of current rodenticides such as compound 1080, strychnine, and zinc phosphide;

(6) seek registration of alternative rodenticides;

(7) develop and implement new vertebrate pest management methods and crop damage assessment techniques;

(8) support vertebrate pest management research and evaluation projects;

(9) educate the agricultural community regarding vertebrate pest management problems and needs;

(10) educate the general public regarding vertebrate pest concerns and the need for vertebrate pest management; and

(11) perform any other related activities.

**History:** En. Sec. 2, Ch. 136, L. 1949; amd. Sec. 45, Ch. 310, L. 1974; R.C.M. 1947, 3-2702; MCA 1981, 81-1-402; redes. 80-7-1102 by Sec. 4, Ch. 65, L. 1983; amd. Sec. 1, Ch. 144, L. 1987.

**80-7-1103. Purchase and sale of vertebrate pest management supplies.** In addition to the expenditures authorized in 80-7-1102, the department may purchase vertebrate pest management supplies, including baits, for the use of cooperating governmental agencies, counties, associations, corporations, or individuals in the management of vertebrate pests and to make these supplies and baits available to the cooperators at approximate cost.

**History:** En. Sec. 4, Ch. 136, L. 1949; amd. Sec. 105, Ch. 147, L. 1963; amd. Sec. 46, Ch. 310, L. 1974; R.C.M. 1947, 3-2704; amd. Sec. 3, Ch. 65, L. 1983; MCA 1981, 81-1-403; redes. 80-7-1103 by Sec. 4, Ch. 65, L. 1983.

**80-7-1104. Vertebrate pest management advisory council.** (1) The director of agriculture may appoint a vertebrate pest management advisory council to provide advice to the department concerning the administration of this part.

(2) If appointed, the council must be composed of eight members as follows:

(a) the director of agriculture, who shall serve as chairman;

(b) one member representing agricultural interests from Montana west of the continental divide;

(c) one member representing agricultural interests from eastern Montana;

(d) one member representing agricultural interests from north central Montana;

(e) one member representing agricultural interests from south central Montana;

(f) one member from a sportsmen's or wildlife group;

(g) one member from the rodenticide industry; and

(h) one member representing public land interests.

(3) Technical advisers in vertebrate pest control from the department, the extension service, the university system, or the industry may serve as ex officio members at the request of the director of agriculture.

**History: En. Sec. 2, Ch. 144, L. 1987.**

**80-7-1105. Rodenticide fund.** There is a rodenticide fund. The fund consists of money collected under 80-7-1106 and 80-7-1107, which must be deposited in the state special revenue fund and must be spent for the purposes set forth in this part.

**History: En. Sec. 3, Ch. 144, L. 1987.**

**80-7-1106. Surcharge imposed on retail sale of field rodenticides — disposition of proceeds.** (1) There is imposed a surcharge of 5 cents per dollar of the retail sales price of all rodenticides registered for field rodent control in the state. The volume of sales of each registered field rodenticide must be determined by the department from records required of dealers of field rodenticides and dealers selling government-manufactured field rodenticides.

(2) The surcharge must be collected by the department on an annual calendar basis from nongovernment registrants of field rodenticides and from pesticide dealers selling government-manufactured field rodenticides and is due and payable within 30 days after notice of the amount is given.

(3) A pesticide dealer selling government-manufactured rodenticides will not be licensed to sell field rodenticides if he has failed to pay in full the charge on the products from the previous year. No nongovernment registrant may be allowed to reregister a rodenticide under 80-8-201 if he has failed to pay in full the surcharge on his product.

**History: En. Sec. 4, Ch. 144, L. 1987.**

**80-7-1107. Acceptance and expenditure of gifts, grants, and funds.** The department may accept gifts, grants, cost-share funds, or other funds designated for vertebrate pest management purposes. Such funds must be expended to support vertebrate pest management projects as specified in 80-7-1102.

**History: En. Sec. 5, Ch. 144, L. 1987.**

**80-7-1108. Rules.** The department may adopt rules necessary to implement this part.

**History: En. Sec. 6, Ch. 144, L. 1987.**

# CHAPTER 8

# PESTICIDES

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**Chapter Cross-References**

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Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

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Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

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Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

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Agricultural liens — crop or grain liens for spraying or dusting, Title 71, ch. 3, part 9.

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## Part 1

## General Administration

**80-8-101. Short title.** This chapter may be cited as the "Montana Pesticides Act".

**History:** **En. Sec. 1, Ch. 403, L. 1971; R.C.M. 1947, 27-213.**

**80-8-102. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Active ingredient" means:

(a) in the case of a pesticide, other than a plant regulator, defoliant, or desiccant, an ingredient which will prevent, destroy, repel, alter life processes, or mitigate insects, nematodes, fungi, rodents, weeds, or other pests;

(b) in the case of a plant regulator, an ingredient which acts upon the physiology to accelerate or retard the rate of growth or rate of maturation or otherwise alter the normal processes of ornamental or crop plants or their produce;

(c) in the case of a defoliant, an ingredient which will cause the leaves or foliage to drop from a plant;

(d) in the case of a desiccant, an ingredient which will artificially accelerate the drying of plant tissue.

(2) "Adulterated" applies to a pesticide if its strength of purity falls below the professed standard or quality as expressed on labeling or under which it is sold or if any substance has been substituted wholly or in part for the pesticide or if any valuable constituent of the pesticide has been wholly or in part abstracted.

(3) "Antidote" means the most practical immediate treatment in case of poisoning and includes first-aid treatment.

(4) "Applicator" means a person who applies pesticides by any method.

(5) "Beneficial insects" means those insects which, in the course of their life cycle, carry, transmit, or spread pollen to and from vegetation, act as parasites and predators on other insects, or are otherwise beneficial.

(6) "Commercial applicator" means a person who by contract or for hire applies by aerial, ground, or hand equipment pesticides to land, plants, seed, animals, waters, structures, or vehicles.

(7) "Commercial operator" means a person who applies pesticides under the supervision of a commercial applicator.

(8) "Crop" means a food intended for human or animal consumption or a fiber product.

(9) "Dealer" means a person who sells, wholesales, offers or exposes for sale, exchanges, barters, or gives away within this state any pesticide except those pesticides which are to be used for home, yard, garden, home orchard, shade trees, ornamental trees, bushes, and lawn.

(10) "Defoliant" means a substance or mixture of substances for causing the leaves or foliage to drop from a plant, with or without causing abscission.

(11) "Desiccant" means a substance or mixture of substances for artificially accelerating the drying of plant tissue.

(12) "Device" means any instrument or contrivance intended for destroying, controlling, repelling, or mitigating pests but not equipment used for the application of pesticides.

(13) "Environment" means the soil, air, water, plants, and animals.

(14) "Equipment" means equipment used in the actual application of pesticides, including aircraft, ground sprayers and dusters, hand-held applicators, and water surface equipment.

(15) "Farm applicator" means a person applying pesticides to his own crops or land.

(16) "Fungi" means all nonchlorophyll-bearing thallophytes (all nonchlorophyll-bearing plants of a lower order than mosses and liverworts) as, for example, rusts, smuts, mildews, molds, yeasts, and bacteria, except those resident on or in living man or other animals.

(17) "Fungicide" means a substance or mixture of substances for preventing, destroying, repelling, or mitigating any fungus.

(18) "Herbicide" means a substance or mixture of substances for preventing, destroying, repelling, or mitigating any weed.

(19) "Inert ingredient" means an ingredient which is not an active ingredient.

(20) "Ingredient statement" means either:

(a) a statement of the chemical name and common name and percentage of each active ingredient, together with the total percentage of the inert ingredients, in the pesticide; or

(b) a statement of the chemical name and common name of each active ingredient, together with the name of each and total percentage of the inert ingredients, if any, in the pesticide. However, subsection (20)(a) of this section applies if the preparation is highly toxic to man, determined as provided in 80-8-105; and if the pesticide contains arsenic in any form, the ingredient statement shall also include a statement of the percentage of total and water-soluble arsenic, each calculated as elemental arsenic.

(21) "Insect" means any of the numerous small invertebrate animals generally having the body more or less obviously segmented, for the most part

belonging to the class insecta, comprising six-legged, winged and wingless forms, such as beetles, bugs, wasps, flies, and keds, and to other classes of arthropods whose members are wingless and usually have more than six legs, such as spiders, mites, ticks, centipedes, and wood lice.

(22) "Insecticide" means any substance or mixture of substances for preventing, destroying, repelling, or mitigating any insects present in any environment.

(23) "Label" means the written, printed, or graphic matter on or attached to the pesticide or device or to its immediate container and any outside container or wrapper of any retail package of the pesticide or device.

(24) "Labeling" means all labels and other written, printed, or graphic matter:

(a) upon the pesticide or device or any of its containers or wrappers;

(b) accompanying the pesticide or device at any time;

(c) to which reference is made on the label or in literature accompanying the pesticide or device, except when accurate, nonmisleading reference is made to current official publications of the United States environmental protection agency; departments of agriculture, interior, or health, education, and welfare; state experiment stations; state agricultural colleges; or other similar federal institutions or official agencies of this state or other states authorized by law to conduct research in the field of pesticides.

(25) "Misbranded" applies:

(a) to a pesticide or device if its labeling bears any statement, design, or graphic representation relative to its ingredients which is false or misleading;

(b) to a pesticide if:

(i) it is an imitation of or is offered for sale under the name of another pesticide;

(ii) its labeling bears any reference to registration under this chapter;

(iii) the labeling accompanying it does not contain instructions for use necessary and, if complied with, adequate for the protection of the public;

(iv) the label does not contain a warning or caution statement necessary and, if complied with, adequate to prevent injury to living man or undue hazard to the environment;

(v) the label of the retail package which is presented or displayed under customary conditions of purchase does not bear an ingredient statement on that part of the immediate container and on the outside or on a wrapper through which the ingredient statement on the immediate container cannot be clearly read;

(vi) any word, statement, or other information required to appear on the labeling is not prominently placed on the labeling with a conspicuousness (as compared with other words, statements, designs, or graphic matter in the labeling) and in terms rendering it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

(vii) in the case of an insecticide, nematocide, fungicide, or herbicide, when used as directed or in accordance with commonly recognized practice, it is injurious to living men or other vertebrate animals or vegetation, except weeds, to which it is applied or to the person applying the pesticide;

(viii) in the case of a plant regulator, defoliant, or desiccant, when used as directed, it is injurious to man or other vertebrate animals or vegetation to which it is applied or to the person applying the pesticide. Physical or physiological effects on plants or parts of plants are not injurious when this is the purpose for which the plant regulator, defoliant, or desiccant is applied in accordance with the label claims and recommendations.

(26) "Nematocide" means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating nematodes.

(27) "Nematodes", "nemas", or "eelworms" means invertebrate animals of the phylum nemathelminthes and class nematoda, that is, unsegmented round worms with elongated, fusiform, or sac-like bodies covered with cuticle and inhabiting soil, water, animals, plants, or plant parts.

(28) "Person" means any natural person, individual, firm, partnership, association, corporation, company, joint-stock association, body politic, or organized group of persons, whether incorporated or not, and any trustee, receiver, assignee, or similar representative.

(29) "Pest" includes any insect, rodent, nematode, snail, slug, weed, and any form of plant or animal life or virus, except virus on or in living man or other animal, which is normally considered a pest or which the department declares a pest.

(30) "Pesticide" means any:

(a) substance or mixture of substances, including any living organism or any product derived from a living organism, intended for preventing, destroying, controlling, repelling, altering life processes, or mitigating any insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, except viruses on or in living man or other animals, that may infect or be detrimental to persons, vegetation, crops, animals, structures, or households or be present in any environment or which the department declares a pest;

(b) substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant; and

(c) other substances intended for that use named by the department by a rule adopted by it.

(31) "Plant regulator" means any substance or mixture of substances affecting the rate of growth or rate of maturation or for otherwise altering physiological condition of plants but does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, and soil amendments.

(32) "Public utility applicator" means a person applying pesticides to land and structures owned or leased by a public utility.

(33) "Registrant" means the person registering any pesticide or device under the provisions of this chapter.

(34) "Restricted-use pesticide" means any pesticide, including highly toxic pesticides, which the department has found and determined, subsequent to a hearing, to be injurious when used in accordance with registration, label, directions, and cautions to persons, beneficial insects, animals, crops, or the environment other than the pests it is intended to prevent, destroy, control, or mitigate.

(35) "Retailer" means any person who sells, offers or exposes for sale, exchanges, barters, or gives away within this state any pesticide for home, yard, lawn, and garden use, in quantities or concentrations as determined by the department of agriculture.

(36) “Weed” means any plant or part of the plant which grows where not wanted.

**History:** **En. Sec. 4, Ch. 403, L. 1971; amd. Sec. 1, Ch. 447, L. 1973; amd. Sec. 120, Ch. 218, L. 1974; amd. Sec. 1, Ch. 462, L. 1977; R.C.M. 1947, 27-216.**

**80-8-103. Purpose.** The control of pesticides and their use is essential for the protection of man and his environment. Pesticides are currently considered valuable and necessary to provide sufficient quantity of quality foods and for the protection of humans from vectorborne diseases. However, the protection of man and his essential needs—water, air, food, animals, vegetation, pollinating insects, and shelter from pesticides which are potentially dangerous—is in the public interest now and in the future. Therefore, it is deemed necessary to provide for the control of pesticides.

**History:** **En. Sec. 2, Ch. 403, L. 1971; R.C.M. 1947, 27-214.**

**80-8-104. Administration.** This chapter shall be administered by the department.

**History:** **En. Sec. 3, Ch. 403, L. 1971; R.C.M. 1947, 27-215.**

**80-8-105.** *(Temporary)* **Rules.** (1) The department may adopt by reference without a public hearing regulations adopted under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended. The department may, after a public hearing, adopt all rules necessary to carry out this chapter.

(2) The rules may prescribe methods of:

(a) registration, suspension or cancellation of registration, application, use or restricting use, prohibiting use, offering or exposing for sale of any pesticide;

(b) determining whether pesticides are highly toxic to man;

(c) determining standards of coloring or discoloring for pesticides and subjecting pesticides to the requirements of 80-8-202;

(d) licensing commercial applicators, operators, and dealers, establishing methods of recordkeeping for applicators, operators, and dealers, and providing for the review of the records by the department’s authorized agent and the submission of the records to the department upon written request;

(e) issuing farm applicator special-use permits and the maintenance and submission of records by farm applicators issued special-use permits;

(f) collection, examination, and standard deviation from guarantee analysis and umpire analysis of pesticides and devices;

(g) operating and maintaining equipment used by applicators;

(h) developing examinations which shall be held periodically throughout the state;

(i) establishing the form and content of all applications for licenses and permits;

(j) designating pesticides that may be sold at retail for home, yard, garden, and lawn use. The department may also limit retail sale of pesticides, up to a specific number of pounds or gallons and concentration which would be sublethal to humans and animals if small amounts of it were accidentally swallowed, inhaled, sprayed, or dusted on the skin.

(k) revoking licenses and permits;

(l) registering or controlling any spray adjuvant, such as a wetting agent, spreading agent, deposit builder, adhesive, emulsifying agent, deflocculating agent, water modifier, or similar agent with or without toxic properties of its own intended to be used with any other pesticide as an aid to the application or effect of that other pesticide, whether or not distributed in a package or container separate from that of a pesticide with which it is to be used;

(m) registering pesticide-fertilizer and other chemical blends or, instead of registration, establishing licensing, inspection, and fees for blending plants;

(n) establishing registration procedures for devices, with a fee not to exceed $5 per type of device, specifying classes of devices to be registered and providing for additional requirements;

(o) imposing conditions for renewal of dealer, applicator, and operator licenses and permits, including requalification training;

(p) establishing procedures for implementing and administering the civil penalties under 80-8-306; and

(q) establishing fees for training courses and materials.

(3) (a) Whenever the department finds that those rules are necessary to carry out the purposes and intent of this chapter, the rules may relate to the time, place, manner, and method of registration, suspension or cancellation of registration, application, or selling of the pesticides, may restrict or prohibit use of pesticides in the state or in designated areas during specified periods of time, and shall encompass all reasonable factors which the department considers necessary to prevent damage or injury to:

(i) persons, animals, crops, or pollinating insects from the effect of drift or careless application;

(ii) the environment;

(iii) plants, including forage plants;

(iv) wildlife;

(v) fish and other aquatic life.

(b) In issuing the rules, the department shall give consideration to pertinent research findings and recommendations of other agencies of this state or of the federal government.

(4) If the department finds that an emergency exists which requires immediate action with regard to the registration, use, or application of pesticides, the department may, without notice or hearing, issue necessary orders or rules to protect the public health, welfare, and safety. An order or rule issued under this subsection is effective for the period prescribed by the Montana Administrative Procedure Act. If the department determines that the emergency order or rule should remain in effect, a public hearing under 80-8-106 shall be held within the above period to determine whether the order or rule should be adopted by the department.

(5) All rules and orders issued by the department shall be in writing, shall be entered in full in books to be kept by the department for that purpose, shall be indexed, and shall be public records open for inspection at all times during reasonable office hours. Except for orders establishing or changing rules of practice and procedure, all orders made and published by the department shall include and be based upon written findings of fact. A copy of any rule or order certified by the department shall be received in evidence in all courts of this state with the same effect as the original.

**80-8-105.** *(Effective January 1, 1990)* **Rules.** (1) The department may adopt by reference without a public hearing regulations adopted under the

Federal Insecticide, Fungicide, and Rodenticide Act, as amended. The department may, after a public hearing, adopt all rules necessary to carry out this chapter.

(2) The rules may prescribe methods of:

(a) registration, suspension or cancellation of registration, application, use or restricting use, prohibiting use, offering or exposing for sale of any pesticide;

(b) determining whether pesticides are highly toxic to man;

(c) determining standards of coloring or discoloring for pesticides and subjecting pesticides to the requirements of 80-8-202;

(d) licensing commercial applicators, operators, and dealers, establishing methods of recordkeeping for applicators, operators, and dealers, and providing for the review of the records by the department's authorized agent and the submission of the records to the department upon written request;

(e) issuing farm applicator special-use permits and the maintenance and submission of records by farm applicators issued special-use permits;

(f) collection, examination, and standard deviation from guarantee analysis and umpire analysis of pesticides and devices;

(g) operating and maintaining equipment used by applicators;

(h) developing examinations which shall be held periodically throughout the state;

(i) establishing the form and content of all applications for licenses and permits;

(j) designating pesticides that may be sold at retail for home, yard, garden, and lawn use. The department may also limit retail sale of pesticides, up to a specific number of pounds or gallons and concentration which would be sublethal to humans and animals if small amounts of it were accidentally swallowed, inhaled, sprayed, or dusted on the skin.

(k) revoking licenses and permits;

(l) registering or controlling any spray adjuvant, such as a wetting agent, spreading agent, deposit builder, adhesive, emulsifying agent, deflocculating agent, water modifier, or similar agent with or without toxic properties of its own intended to be used with any other pesticide as an aid to the application or effect of that other pesticide, whether or not distributed in a package or container separate from that of a pesticide with which it is to be used;

(m) registering pesticide-fertilizer and other chemical blends or, instead of registration, establishing licensing, inspection, and fees for blending plants;

(n) establishing registration procedures for devices, with a fee not to exceed $5 per type of device, specifying classes of devices to be registered and providing for additional requirements;

(o) imposing conditions for renewal of dealer, applicator, and operator licenses and permits, including requalification training;

(p) establishing procedures for implementing and administering the civil penalties under 80-8-306; and

(q) establishing fees for training courses and materials.

(3) (a) Consistent with the provisions of Title 80, chapter 15, whenever the department finds that those rules are necessary to carry out the purposes and intent of this chapter, the rules may relate to the time, place, manner, and method of registration, suspension or cancellation of registration, application, or selling of the pesticides, may restrict or prohibit use of pesticides in

the state or in designated areas during specified periods of time, and shall encompass all reasonable factors which the department considers necessary to prevent damage or injury to:

(i) persons, animals, crops, or pollinating insects from the effect of drift or careless application;

(ii) the environment;

(iii) plants, including forage plants;

(iv) wildlife;

(v) fish and other aquatic life.

(b) In issuing the rules, the department shall give consideration to pertinent research findings and recommendations of other agencies of this state or of the federal government.

(4) If the department finds that an emergency exists which requires immediate action with regard to the registration, use, or application of pesticides, the department may, without notice or hearing, issue necessary orders or rules to protect the public health, welfare, and safety. An order or rule issued under this subsection is effective for the period prescribed by the Montana Administrative Procedure Act. If the department determines that the emergency order or rule should remain in effect, a public hearing under 80-8-106 shall be held within the above period to determine whether the order or rule should be adopted by the department.

(5) All rules and orders issued by the department shall be in writing, shall be entered in full in books to be kept by the department for that purpose, shall be indexed, and shall be public records open for inspection at all times during reasonable office hours. Except for orders establishing or changing rules of practice and procedure, all orders made and published by the department shall include and be based upon written findings of fact. A copy of any rule or order certified by the department shall be received in evidence in all courts of this state with the same effect as the original.

**History: En. Sec. 22, Ch. 403, L. 1971; amd. Sec. 123, Ch. 218, L. 1974; amd. Sec. 12, Ch. 462, L. 1977; R.C.M. 1947, 27-234; amd. Sec. 1, Ch. 633, L. 1983; amd. Sec. 27, Ch. 668, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning of (3)(a) inserted "Consistent with the provisions of Title 80, chapter 15". Amendment effective January 1, 1990.

**Cross-References**

Pesticide registration, 80-8-201.

Pesticides — prohibited acts relating to, 80-8-202.

Applicator's and operator's examination, 80-8-206.

Dealer's examination, 80-8-208.

Farm applicators, 80-8-209.

Retail noncommercial sale of pesticides, 80-8-212.

Sampling and analysis, 80-8-302.

**80-8-106. Administrative procedures.** The administration of this chapter and all rulemaking and hearing functions under this chapter shall be conducted in accordance with the Administrative Procedure Act.

**History: En. Sec. 23, Ch. 403, L. 1971; amd. Sec. 124, Ch. 218, L. 1974; amd. Sec. 13, Ch. 462, L. 1977; R.C.M. 1947, 27-235.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-8-107.** *(Temporary)* **Public information.** The department as it deems proper may, alone or in cooperation with other state or federal agencies, publish information regarding aspects of the use and application sections or registration sections of this chapter. This information cannot disclose operations of selling, production, or use of pesticides by any person.

**80-8-107.** *(Effective January 1, 1990)* **Public information.** Except as provided in Title 80, chapter 15, the department as it deems proper may, alone or in cooperation with other state or federal agencies, publish information regarding aspects of the use and application sections or registration sections of this chapter. This information cannot disclose operations of selling, production, or use of pesticides by any person.

**History:** En. Sec. 27, Ch. 403, L. 1971; R.C.M. 1947, 27-239; amd. Sec. 28, Ch. 668, L. 1989.

**Compiler's Comments**

*1989 Amendment:* At beginning inserted exception clause. Amendment effective January 1, 1990.

**80-8-108. Advisory council.** (1) The director of agriculture may appoint an advisory council to study and make recommendations on special pesticide problems in the state. The council shall consist of individuals representing, equally, controlled industry, agriculture, health, and wildlife. Governmental personnel, university personnel not included, may not be represented on the council. Governmental personnel shall meet with the council in an advisory capacity when requested by the council. The council may not exceed 12 members. The director of agriculture shall establish the time period in which the council shall exist. The time period may not exceed 2 years. The department of agriculture shall provide the necessary administrative, secretarial, and any other essential items to the council.

(2) Each member of the council shall receive as compensation for his services the sum of $25 per day for each day actually spent in the performance of his duties and shall be reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503.

(3) The council may request that the department hold a public hearing to assist it in gathering factual data and information on the special problems assigned it.

**History:** En. Sec. 28, Ch. 403, L. 1971; amd. Sec. 126, Ch. 218, L. 1974; amd. Sec. 14, Ch. 439, L. 1975; amd. Sec. 14, Ch. 462, L. 1977; R.C.M. 1947, 27-240.

**80-8-109. Educational programs.** (1) The department shall develop and conduct appropriate educational programs. The educational programs shall inform those individuals dealing in and applying pesticides as to correct methods of formulating, applying, storing, disposing of, handling, and transporting pesticides.

(2) In developing and administering such programs, the department may consult other state and federal agencies and private industry, as well as such other persons it considers necessary, and may charge a fee for the programs commensurate with their administration costs. The fee may not include the salary or travel expenses of any employee of a state agency or of the Montana cooperative extension service.

(3) All fees collected pursuant to this section must be deposited in the state treasury to the credit of the state special revenue fund and must be spent for the purposes set forth in this section.

**History: En. Sec. 29, Ch. 403, L. 1971; R.C.M. 1947, 27-241; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 2, Ch. 633, L. 1983; amd. Sec. 1, Ch. 219, L. 1985; amd. Sec. 1, Ch. 181, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), in last sentence, substituted "employee of a state agency or of the Montana cooperative extension service" for "employee of the state or a unit of the Montana university system". Amendment effective July 1, 1989.

**80-8-110. Cooperation with other agencies.** (1) The department of agriculture may cooperate with agencies of this state or its subdivisions or with any agency of any other state or the federal government for the purpose of carrying out the provisions of this chapter, securing uniformity of rules, and entering into reciprocal licensing and certification agreements with other states.

(2) The department of agriculture and the department of health and environmental sciences shall enter into a memorandum of agreement concerning the inspection, regulation, and responsibilities of persons or activities that may be involved in the management, disposal, storage, transportation, treatment, recycling, or recovery of hazardous wastes and the disposal of solid wastes.

(3) For the purpose of this section, "solid waste" means all putrescible and nonputrescible wastes including but not limited to garbage; rubbish; refuse; hazardous wastes; ashes; sludge from sewage treatment plants, water supply treatment plants, or air pollution control facilities; construction and demolition wastes; dead animals, including offal; discarded home and industrial appliances; and wood products or wood byproducts and inert materials. Solid waste does not mean municipal sewage, industrial wastewater affluents, mining wastes regulated under the mining and reclamation laws administered by the department of state lands, slash and forest debris regulated under laws administered by the department of state lands, or marketable wood byproducts.

(4) For the purpose of this section, "hazardous waste" means any waste or combination of wastes of a solid, liquid, contained gaseous, or semisolid form which may cause or contribute to an increase in mortality or an increase in serious illness, taking into account the toxicity of the waste, its persistence and degradability in nature, its potential for assimilation or concentration in tissue, and other factors that may otherwise cause or contribute to adverse acute or chronic effects on the health of persons or other living organisms. Hazardous wastes include but are not limited to those which are toxic, radioactive, corrosive, flammable, irritants, strong sensitizers, or which generate pressure through decomposition, heat, or other means, excluding wood chips and wood used for manufacturing or fuel purposes.

**History: En. Sec. 30, Ch. 403, L. 1971; amd. Sec. 15, Ch. 462, L. 1977; R.C.M. 1947, 27-242; amd. Sec. 7, Ch. 529, L. 1981.**

**Cross-References**

Control of timber slash and debris, Title 76, ch. 13, part 4.

Mining and reclamation, Title 82, ch. 1 through 4.

**80-8-111 through 80-8-115 reserved.**

**80-8-116. Deposit of fees and penalties in general fund.** All licensing, permit, registration, and equipment inspection fees collected under part 2 of this chapter and any civil penalties collected under 80-8-306 must be deposited in the general fund.

**History:** En. Sec. 10, Ch. 633, L. 1983.

## Part 2

## Registration and Licensing

**Part Cross-References**

Departmental rules, 80-8-105.

**80-8-201. Registration.** (1) Every pesticide distributed, sold, or offered for sale within this state or delivered for transportation or transported in intrastate commerce or between points within this state shall be registered with the department. The registration shall be renewed annually by the manufacturer, formulator, or distributor of the pesticide. The department shall register all federally approved pesticides, and those registered are subject to registration fees and all other provisions of this chapter. All registrations of pesticides expire on December 31 following the date of issuance unless otherwise terminated.

(2) The applicant for registration shall file with the department a statement including:

(a) the name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the registrant;

(b) a complete copy of the label of the pesticide, the United States environmental protection agency registration number if the pesticide is so registered, and a statement of all claims to be made for it, including directions for use;

(c) the trade and chemical name of the pesticide;

(d) if requested by the department, a full description of tests made and the results upon which the claims are based. In the case of renewal of registration, a statement shall be required only with respect to information which is different from that furnished when the pesticide was registered or last reregistered.

(3) Any pesticide imported into this state which is subject to the provisions of any federal act providing for the registration of pesticides and has been registered under the provisions of a federal act shall be registered in the state. However, the state may restrict the sale or use and application of the pesticide by type of dealer, applicator, time, and place and may establish special registrations of pesticides as outlined in subsection (8) of this section and 80-8-105(3). The annual registration fee must also be paid, and registration information required by the department must be provided.

(4) The applicant shall pay an annual fee of $75 for each pesticide registered. A registration fee is not required to register a federally approved experimental use permit. Fees collected shall be deposited in the state treasury to the credit of the general fund.

(5) The department may require the submission of the complete formula and certified analytical standards of any pesticide. If it appears to the department that the composition of the article warrants the proposed claims for it

and if the article and its labeling and other material required to be submitted comply with the requirements of 80-8-202, it shall register the article.

(6) If it does not appear to the department that the article warrants the proposed claims for it or if the article and its labeling and other material required to be submitted do not comply with this chapter, it shall notify the applicant of the manner in which the article, labeling, or other material required to be submitted fails to comply with the chapter so as to afford the applicant an opportunity to make the necessary corrections. If the applicant does not make the corrections upon receipt of the notice, the department may refuse to register the article. The department may suspend or cancel the registration of a pesticide whenever it does not appear that the article or its labeling comply with this chapter or whenever scientific evidence proves that the article endangers man or the general environment afforded protection under 80-8-105(3)(a). When an application for registration is refused or the department proposes to suspend or cancel a registration, the registrant may pursue administrative remedies under the Montana Administrative Procedure Act and rules of the department.

(7) Registration is not required in the case of a pesticide shipped from one plant in this state to another plant in this state by the same person.

(8) (a) The departments of health and environmental sciences, agriculture, and fish, wildlife, and parks shall review all applications for registration of an experimental-use permit or a registration for special local needs. The applicant shall pay a one-time fee of $75 for a special local need or experimental-use permit registration. The departments shall utilize the same requirements and standards for reviewing registrations established by the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and regulations adopted thereunder. The department of agriculture shall provide the departments of health and environmental sciences and fish, wildlife, and parks with a complete copy of the application, related correspondence, and a statement of the department of agriculture's proposed action on the application. The departments of health and environmental sciences and fish, wildlife, and parks shall approve or disapprove the application within 10 days after the receipt of the application. If the departments of health and environmental sciences, agriculture, and fish, wildlife, and parks are in agreement with the proposed registration, the department of agriculture shall issue the registration.

(b) The department of agriculture shall establish a time and place for an interagency conference for the purposes of resolving the registration of any pesticide or device. If two of the departments approve the proposed registration, the department of agriculture shall issue the registration.

(c) The registrant applying for registration shall be notified as to proposed changes in registration. If the departments cannot resolve the proposed registration following the interagency conference, the registrant may request a joint administrative hearing before the departments of agriculture, health and environmental sciences, and fish, wildlife, and parks.

(d) Following the interagency conference and, if requested, the administrative hearing, if the proposed registration of a pesticide or device has not been resolved, the department of agriculture shall appoint an advisory council as outlined in 80-8-108 to resolve by majority vote the registration of any pesticide. The advisory council's recommendations on the registration shall be accepted by the departments and implemented by the department of agriculture.

(9) Pesticides registered under any federal law when canceled for sale and use in total or in part by a federal agency responsible for registration are considered canceled in total or in part for sale and use in Montana. The cancellation is effective on the final date of sale or use allowed under the federal law and rules or orders of the federal agency. If the federal cancellation allows existing stock to be used past the final date of cancellation, such sale or use in this state may not exceed 2 years. The department shall provide technical assistance to any person in possession of such products to insure their proper disposal, relabeling, or removal.

**History: En. Sec. 5, Ch. 403, L. 1971; amd. Sec. 121, Ch. 218, L. 1974; amd. Sec. 2, Ch. 462, L. 1977; R.C.M. 1947, 27-217; amd. Sec. 2, Ch. 218, L. 1979; amd. Sec. 1, Ch. 230, L. 1979; amd. Sec. 3, Ch. 633, L. 1983; amd. Sec. 2, Ch. 181, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (4) and (8)(a) increased fee to $75 from $50. Amendment effective July 1, 1989.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Pesticide embargoes, 80-8-303.

Penalties for violations, 80-8-306.

Fee for agricultural chemical ground water protection, 80-15-302.

**80-8-202. Prohibited acts.** (1) It is unlawful for any person to distribute, sell, or offer for sale within this state or deliver for transportation or transport in intrastate commerce between points within this state any of the following:

(a) any pesticide which has not been registered pursuant to the provisions of 80-8-201 or any pesticide if any of the claims made for it or any of the directions for its use differ in substance from the representations made in connection with its registration or if the composition of a pesticide differs from its composition as represented in connection with its registration or if registration or reregistration has been refused, revoked, canceled, or suspended. The department of agriculture may allow a change in the labeling or formula of a pesticide within a registration period without requiring reregistration of the product when such change does not adversely affect the product for its intended use and if proper application therefor is made.

(b) any pesticide unless it is in the registrant's or the manufacturer's unbroken immediate container and there is affixed to such container and to the outside container or wrapper of the retail package, if there be one, through which the required information on the immediate container cannot be clearly read, a label bearing:

(i) the name and address of the manufacturer, registrant, or person for whom manufactured;

(ii) the trade and chemical name, brand, or trademark under which said article is sold;

(iii) the net weight or measure of the content, subject to such reasonable variations as the department may permit;

(c) any pesticide which contains any substance or substances in quantities highly toxic to man, determined as provided in 80-8-105, unless the label shall bear, in addition to any other matter required by this chapter:

(i) the skull and crossbones;

(ii) the word "poison" prominently in red on a background of distinctly contrasting color;

(iii) a statement of an antidote for the pesticide;

(d) the pesticides commonly known as standard lead arsenate, basic lead arsenate, calcium arsenate, magnesium arsenate, zinc arsenate, zinc arsenite, sodium fluoride, sodium fluosilicate, and barium fluosilicate unless they have been distinctly colored or discolored, as provided by regulations issued in accordance with this chapter, or any other white powder pesticide which the department, after investigation of and after public hearing on the necessity for such action for the protection of the public health and the environment and the feasibility of such coloration or discoloration, shall by regulations require to be distinctly colored or discolored, unless it has been so colored or discolored. The department may exempt any pesticide to the extent that it is intended for a particular use from the coloring or discoloring required or authorized by this section if it determines that such coloring or discoloring for such use is not necessary for the protection of the public health and the environment.

(e) any pesticide which is adulterated or misbranded, or any device which is misbranded.

(2) It is unlawful for any person to:

(a) detach, alter, deface, or destroy, in whole or in part, any label or labeling provided for in this chapter or rules promulgated hereunder or to add any substance to or take any substance from a pesticide in a manner that may defeat the purpose of this chapter;

(b) use for his own advantage or reveal, other than to the department or proper officials or employees of the state or the courts of this state in response to a subpoena, to physicians or to veterinarians or in emergencies to pharmacists and other qualified persons for use in the preparation of antidotes, any information relative to formulas of products acquired by authority of 80-8-201.

**History: En. Sec. 6, Ch. 403, L. 1971; R.C.M. 1947, 27-218; amd. Sec. 9, Ch. 20, L. 1979.**

**Cross-References**

Rulemaking authority, 80-8-105.

Penalty for violations, 80-8-306.

**80-8-203. Commercial applicator.** (1) It shall be unlawful for any person to engage in the business of applying pesticides for another without a pesticide applicator's license obtained from the department of agriculture. The application shall be accompanied by a fee of $45. Applicators applying for a dealer's license under this chapter shall be required to pay only a $20 licensing fee for the dealer's license. The provisions of this subsection shall not apply to any person employed only to operate any equipment used for the application of any pesticide and in which the person has no financial interest or other control over such apparatus other than its day-to-day mechanical operation for the purpose of applying any pesticide.

(2) Public utility applicators shall be licensed in the same manner as commercial applicators, provided that public utility operators working under public utility applicators are not required to be licensed except as provided for under 80-8-205.

(3) Veterinarians licensed as provided in Title 37, chapter 18, part 3, shall not be required to be licensed to apply nonrestricted pesticides, provided that

these veterinarians shall register with the department each year; provided further that the veterinarians shall be required to meet all other requirements and rules of the Montana Pesticides Act. The department shall consider the professional licensing requirements for veterinarians when adopting rules.

(4) An applicator is responsible for the use of any pesticide by an operator or employee under the applicator's supervision or employment.

**History:** **En. Sec. 9, Ch. 403, L. 1971; amd. Sec. 2, Ch. 447, L. 1973; amd. Sec. 4, Ch. 462, L. 1977; R.C.M. 1947, 27-221; amd. Sec. 2, Ch. 230, L. 1979; amd. Sec. 4, Ch. 633, L. 1983; amd. Sec. 3, Ch. 181, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) increased fee for applicator's license to $45 from $35; and inserted (4) relating to an applicator's responsibility for an operator or employee. Amendment effective July 1, 1989.

**80-8-204. Application for applicator's license.** (1) Application for a pesticide applicator's license provided for in 80-8-203 shall be made annually to the department before applying pesticides in any calendar year, provided that pesticide applicators applying for renewal of license shall do so on or before March 1 of that calendar year. Any applicator applying for renewal of license after March 1 shall be assessed a $25 late licensing fee.

(2) An individual applying for a license to engage in aerial application of pesticides shall certify on the application that he has met all the federal aviation administration and the department of commerce requirements for aerial pesticide applicators.

**History:** **En. Sec. 10, Ch. 403, L. 1971; amd. Sec. 122, Ch. 218, L. 1974; amd. Sec. 33, Ch. 213, L. 1975; amd. Sec. 5, Ch. 462, L. 1977; R.C.M. 1947, 27-222; amd. Sec. 3, Ch. 230, L. 1979; amd. Sec. 1, Ch. 184, L. 1981; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 5, Ch. 633, L. 1983.**

**80-8-205. Commercial operator.** The department of agriculture may establish procedures for controlling pesticide operators including necessary fees by regulation.

**History:** **En. Sec. 11, Ch. 403, L. 1971; R.C.M. 1947, 27-223.**

**80-8-206. Applicator's and operator's examination.** (1) The department of agriculture shall publish and distribute or have available upon request such information as may be helpful to persons engaged in the application of pesticides, including information that may be required or which may appear upon any examination given to applicators and operators by the department.

(2) The department shall require an applicant for a license to show upon written examination that he possesses adequate knowledge concerning the proper use and application of pesticides under the classification for which he has applied, provided that the applicator and operator may not be required to take a reexamination upon renewal of licensing.

**History:** **En. Sec. 12, Ch. 403, L. 1971; R.C.M. 1947, 27-224.**

**Cross-References**

Publication of public information, 80-8-107.

**80-8-207. Dealers.** (1) It is unlawful for any person to sell, offer for sale, deliver, or have delivered within this state any pesticide without first procuring a license from the department of agriculture for each calendar year or portion thereof. A separate dealer's license and fee shall be required for each location or outlet from which pesticides are distributed, sold, held for sale, or offered for sale. Pesticide fieldmen or salesmen employed directly out of the same location or outlet and under a licensed dealer shall not be required to obtain a license. The dealer shall furnish the department the names and addresses of its fieldmen and salesmen selling pesticides within the state.

(2) The application for a license shall be accompanied by a fee of $45. Dealers applying for renewal of license shall do so on or before March 1 of that calendar year. Any dealer applying for renewal of license after March 1 shall be assessed a $25 late licensing fee.

(3) The dealer shall require the purchaser of any restricted pesticide to exhibit his license or permit issued under authority of this chapter before completing a sale.

(4) Dealers may make one application for two annual licenses if the application is accompanied by a $45 licensing fee for each year of the state biennium.

(5) Pharmacists licensed as provided for in 37-7-302 and 37-7-303, veterinarians licensed as provided for in 37-18-302 and 37-18-303, and certified pharmacies licensed under 37-7-321 shall not be required to be licensed to sell pesticides, provided that the certified pharmacies and veterinarians shall register with the department each year. However, the certified pharmacies and veterinarians shall be required to meet all other requirements concerning the commercial sale of pesticides. The department shall take into account the professional licensing requirements of pharmacists, certified pharmacies, and veterinarians when adopting rules.

**History: En. Sec. 13, Ch. 403, L. 1971; amd. Sec. 3, Ch. 447, L. 1973; amd. Sec. 6, Ch. 462, L. 1977; R.C.M. 1947, 27-225; amd. Sec. 4, Ch. 230, L. 1979; amd. Sec. 2, Ch. 184, L. 1981; amd. Sec. 6, Ch. 633, L. 1983; amd. Sec. 4, Ch. 181, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2) and (4) increased fee to $45 from $35. Amendment effective July 1, 1989.

**80-8-208. Dealer's examination.** Each applicant applying for a dealer's license and/or his employee(s) in charge of pesticide sales shall be required to pass a reasonable examination administered by the department. Dealers applying for relicensing may not be required to take an additional examination if they have met the department's requirements.

**History: En. Sec. 14, Ch. 403, L. 1971; R.C.M. 1947, 27-226.**

**80-8-209. Farm applicators.** (1) Farm applicators shall obtain a special-use permit prior to purchasing and using any pesticide designated by the department as a restricted-use pesticide. The fee for the permit is $15. The special-use permit shall be effective for 5 calendar years. The department may establish a staggered years system of issuing permits.

(2) Restricted pesticides may not be utilized by farm applicators or their employees except for the purpose of producing or protecting any agricultural commodity on property owned, leased, or rented by such applicator.

(3) Farm applicators shall qualify for their first permit by either passing a graded written examination or attending a training course approved by the department and taking an ungraded written examination. The examinations and course shall require and demonstrate practical knowledge of the applicator's ability to:

(a) recognize common pests to be controlled and damage caused by them;

(b) read and understand the label and labeling information, including the common name of the pesticide(s) applied, pest(s) to be controlled, timing and methods of application, safety precautions, any preharvest or reentry restrictions, and any specific disposal procedures;

(c) apply pesticides in accordance with label instructions and warnings, including the ability to prepare the proper concentration of pesticides to be used under particular circumstances, taking into account such factors as area to be covered, speed at which application equipment will be driven, and the quantity dispersed in a given period of operation;

(d) recognize local environmental situations that must be considered during application to avoid contamination; and

(e) recognize poisoning symptoms and procedures to follow in case of a pesticide accident.

(4) The department may require farm applicators to attend a mandatory training session and pass a written examination for those restricted pesticides that are extremely toxic or for which an effective antidote is not available. The department may require farm applicators handling these pesticides to maintain use records.

(5) The department shall require farm applicators to requalify for renewal of the 5-year permit by attending a program consisting of 6 hours of training. The department shall establish by rule a uniform system of administering the requalification training program. The department may credit only training related to the standards set forth in subsection (3).

(6) Provisions of this chapter relating to certification of farm applicators do not apply to any farm applicator applying nonrestricted pesticides on his own land or on lands of his neighbors if he:

(a) operates farm property and operates and maintains pesticide application equipment primarily for his own use;

(b) is not regularly engaged in the business of applying pesticides for hire and does not publicly hold himself out as a pesticide applicator;

(c) operates his pesticide application equipment only in the vicinity of his own property and for the accommodation of his immediate neighbors.

**History: En. Sec. 16, Ch. 403, L. 1971; amd. Sec. 8, Ch. 462, L. 1977; R.C.M. 1947, 27-228(part); amd. Sec. 10, Ch. 20, L. 1979; amd. Sec. 3, Ch. 184, L. 1981; amd. Sec. 7, Ch. 633, L. 1983; amd. Sec. 1, Ch. 28, L. 1985.**

**80-8-210. Licensing nonresidents.** Any nonresident applying for a license under this chapter to operate in Montana shall file a written power of attorney designating the secretary of state as the agent of such nonresident upon whom service of process may be had in the event of any suit against the nonresident person, and such power of attorney shall be so prepared and in such form as to render effective the jurisdiction of the courts of Montana over such nonresident applicant; provided, however, that any such nonresident who has a duly appointed resident agent upon whom process may be served as provided by law is not required to designate the secretary of state as such agent. The secretary of state shall be allowed such fees as provided by law for designating resident agents. The department shall be furnished with a copy of such designation of the secretary of state or of a resident agent, such copy to be duly certified by the secretary of state.

**History: En. Sec. 17, Ch. 403, L. 1971; R.C.M. 1947, 27-229; amd. Sec. 11, Ch. 20, L. 1979.**

**80-8-211. Revocation of licenses and permits.** (1) The department shall establish the policy and procedures on the revocation of licenses or permits. The department may refuse to grant, renew, or may revoke or modify a license or permit, as the case may require, when the department is satisfied that the licensee or holder of a permit is not qualified to sell, use, or apply pesticides under the conditions in the locality in which he operates or has operated or that he has committed any of the following acts, each of which is declared to be a violation of this chapter:

(a) made false or fraudulent claims or recommendations through any media misrepresenting the effect of materials or methods to be utilized;

(b) applied or sold unapproved or illegal materials or applied or sold a pesticide without possessing a current and appropriate license or permit;

(c) operated in a faulty, careless, or negligent manner;

(d) operated faulty or unsafe equipment;

(e) refused or neglected to comply with the provisions of this chapter, the rules adopted hereunder, or any lawful order of the department;

(f) refused or neglected to keep and maintain the records required by this chapter or to make reports when and as required;

(g) made false or fraudulent records or reports;

(h) operated equipment for the commercial application of a pesticide without having a license or permit;

(i) used fraud or misrepresentation in making an application for a license or permit or renewal of a license or permit;

(j) used or applied a registered pesticide inconsistent with its labeling or the label or the department restrictions on the use of that pesticide;

(k) made false or misleading statements in connection with a pest inspection of land, crops, yards, or any premises in an attempt to induce any person to engage his services to eliminate, control, or mitigate the alleged pest or made false or misleading statements concerning the effectiveness of any pesticide or its application.

(2) Decisions of the department relating to the issuing of licenses or permits may be appealed.

**History:** **En. Sec. 18, Ch. 403, L. 1971; amd. Sec. 9, Ch. 462, L. 1977; R.C.M. 1947, 27-230; amd. Sec. 4, Ch. 184, L. 1981.**

**80-8-212. Retail noncommercial sale of pesticides.** The department of agriculture is authorized to designate the pesticides that may be sold in this state at retail for home, yard, garden, and lawn use. Only pesticides so designated may be sold at retail. The department may also limit the retail sale of such designated pesticides to quantities up to a specific number of pounds or gallons and of such concentrations as would be sublethal to humans and animals if small amounts thereof were accidentally swallowed, inhaled, sprayed, or dusted on the skin.

**History:** **En. Sec. 15, Ch. 403, L. 1971; amd. Sec. 4, Ch. 447, L. 1973; amd. Sec. 7, Ch. 462, L. 1977; R.C.M. 1947, 27-227.**

**80-8-213. Government agencies.** (1) All state agencies, municipal corporations, or any other governmental agency shall be subject to the provisions of this chapter and rules adopted thereunder concerning the application or sale of pesticides. Applicators and operators applying pesticides and dealers selling pesticides for agencies, municipal corporations, or any governmental agencies shall be subject to the provisions of 80-8-203 through 80-8-208.

(2) The department shall issue a limited commercial applicator's or dealer's license for an annual fee of $50, which shall be valid only when such applicator or dealer is applying or selling pesticides for such agencies, provided that the jurisdictional health officer, state veterinarian, their duly authorized representatives, or governmental research personnel are exempt from this licensing requirement when applying pesticides to experimental areas.

(3) A governmental agency shall pay the annual applicator's fee for its first four employee applicators. The agency shall pay an annual fee of $5 for each additional employee applicator.

(4) Government employees becoming certified applicators only to qualify for conducting pesticide education courses may not be charged a license fee but are limited to providing such courses. Government operators are subject to rules adopted pursuant to 80-8-205, including the license fee.

**History:** **En. Sec. 19, Ch. 403, L. 1971; amd. Sec. 10, Ch. 462, L. 1977; R.C.M. 1947, 27-231; amd. Sec. 8, Ch. 633, L. 1983.**

**80-8-214. Liability.** The department shall annually require from each commercial pesticide applicator proof of financial responsibility in amounts to be determined under rules promulgated by the department.

**History:** **En. Sec. 20, Ch. 403, L. 1971; amd. Sec. 29, Ch. 13, L. 1977; amd. Sec. 11, Ch. 462, L. 1977; R.C.M. 1947, 27-232.**

## Part 3

## Enforcement and Penalties

**80-8-301. Report of loss or damage — effect of failure to report.** (1) A person suffering loss or damage resulting from the use or application of any pesticide by any person shall, within 30 days from the time the occurrence of the loss became known to him, file with the department of agriculture a verified report of loss setting forth, so far as known to the claimant, the following:

(a) name and address of claimant;

(b) type, kind, and location of property alleged to be injured or damaged;

(c) date the alleged injury or damage occurred;

(d) name of person applying the pesticide and allegedly responsible for the loss or damage;

(e) name of the owner or occupant of the property for whom such pesticide application was made.

(2) The filing of such a report or the failure to file such a report shall not be alleged in any complaint which might be filed in a court of law, and the failure to file shall not of itself be considered any bar to the maintenance of any criminal or civil action.

(3) The failure to file such a report shall not be a violation of this chapter. However, if the person failing to file such report is the only one injured from such use or application of a pesticide by any person, the department may refuse to hold a hearing for the denial, suspension, or revocation of a license

issued under this chapter until such report is filed. The filing of such report shall not constitute institution of a civil or criminal suit in any court, state or federal.

**History:** **En. Sec. 21, Ch. 403, L. 1971; R.C.M. 1947, 27-233; amd. Sec. 5, Ch. 184, L. 1981.**

**80-8-302. Sampling and analysis.** (1) The department shall have the authority to sample, inspect, make analysis of pesticides or devices distributed within this state at such time and place and to such extent as it may deem necessary to determine whether such pesticides or devices are in compliance with the provisions of this chapter. The department is authorized with a warrant or the consent of the inhabitant or owner to enter upon any public or private premises including any vehicle of transport in order to have access to pesticides or devices and to records relating to their distribution.

(2) The methods of sampling and analysis shall be those adopted by the department from sources such as the Journal of the Association of Official Analytical Chemists.

(3) In all administrative or legal actions involving the composition, identification, or quantification of a pesticide, a certified copy of the official analysis signed by the department's authorized chemist shall be accepted as prima facie evidence of the determinations set forth therein.

**History:** **En. Sec. 7, Ch. 403, L. 1971; R.C.M. 1947, 27-219; amd. Sec. 6, Ch. 184, L. 1981.**

**Cross-References**

Departmental rules, 80-8-105.

**80-8-303. Embargo.** (1) Whenever a duly authorized agent of the department of agriculture finds or has probable cause to believe that any pesticide or device is adulterated or misbranded, has not been registered under the provisions of 80-8-201(5), fails to bear on its label the information required by this chapter, or is a white powder pesticide and is not colored as required under this chapter, he shall affix to such article a tag or other appropriate marking giving notice thereof and stating that the article has been detained or embargoed and warning all persons not to remove or dispose of such article by sale or otherwise until permission for removal or disposal is given by such agent or the court. Any person who removes or disposes of such detained or embargoed article by sale or otherwise, without prior permission, or removes or alters the tag or marking, is guilty of a misdemeanor and may be charged accordingly or may be subjected to appropriate administrative proceedings, or both.

(2) When an article detained or embargoed under subsection (1) has been found by such agent to be in violation, if after 30 days the violation has not been resolved, he may petition the district court in whose jurisdiction the article is detained or embargoed for a condemnation of such article. When such agent has found that an article so detained or embargoed is not adulterated or misbranded, he shall remove the tag or other marking.

(3) If the court finds that a detained or embargoed article is in violation of this chapter or rules adopted thereunder, such article shall after entry of the decree be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees and storage and other proper expenses shall be assessed against the claimant of such pesticide or device or his agent, provided that when the adulteration or misbranding can

be corrected by proper labeling or processing of the article, the court, after entry of the decree and after such costs, fees, and expenses have been paid and a good and sufficient bond has been executed, conditioned upon the proper labeling or processing of such pesticide or device, may by order direct that such article be delivered to the claimant thereof for such labeling or processing under the supervision of an agent of the department. The expense of such supervision shall be paid by claimant. The article shall be returned to the claimant of the pesticide or device on the representation to the court by the department that the article is no longer in violation of this chapter and that the expenses of such supervision have been paid.

**History:** En. Sec. 8, Ch. 403, L. 1971; amd. Sec. 28, Ch. 13, L. 1977; amd. Sec. 3, Ch. 462, L. 1977; R.C.M. 1947, 27-220; amd. Sec. 7, Ch. 184, L. 1981.

**80-8-304. Investigation and enforcement authority.** (1) In enforcing this chapter, the department or its duly authorized agents, upon reasonable cause, may enter upon private and public premises and property with a warrant or consent of the inhabitant or owner to inspect or investigate at reasonable times:

(a) equipment used for applying pesticides;

(b) actual or reported adverse effects caused by pesticides in humans, crops, animals, land, or other property;

(c) records on the selling or use of pesticides and the person's stock of pesticides;

(d) storage and disposal of pesticides by any person;

(e) pesticides being applied or to be applied and to sample the pesticides;

(f) the use and application of a pesticide; or

(g) the environment alleged to have been exposed to pesticides and to collect and analyze environmental samples.

(2) The department is authorized to investigate all incidents involving the application, introduction, or utilization of registered pesticides or compounds capable of acting in the manner of pesticides when the incidents have a reasonable potential to adversely affect the public environment or persons other than the applicator.

(3) The investigation authority provided for in this section may be exercised over persons not possessing a required license or permit only upon receipt of a complaint or report of an incident.

**History:** En. Sec. 31, Ch. 403, L. 1971; amd. Sec. 16, Ch. 462, L. 1977; R.C.M. 1947, 27-243; amd. Sec. 8, Ch. 184, L. 1981.

**80-8-305.** *(Temporary)* **General violations.** (1) It is unlawful for any person:

(a) to discard any pesticide or pesticide container in such a manner as to cause injury to humans, domestic animals, or wildlife, or to pollute any waterway in a way harmful to any wildlife therein or to the environment;

(b) to handle, transport, store, display, or distribute pesticides or pesticide containers in such a manner as to endanger man or the environment or to endanger food or any other products that may be transported, stored, displayed, or distributed with such pesticides;

(c) to handle, apply, or attempt to apply any registered pesticide for which he does not have an appropriate, complete, or legible label at hand;

(d) to apply or attempt to apply any registered pesticide in a manner inconsistent with the label, as defined in 80-8-102; or

(e) to use any unregistered chemical or biological agent that is required to be registered as a pesticide by the Montana Pesticides Act.

(2) It is unlawful for any person to manufacture, formulate, or store any registered pesticide or component or byproduct thereof in such a manner that the pesticide or any component or byproduct cannot be contained or confined within the boundaries of the lands owned by or under the appropriate control of the person involved. Odor is specifically exempted from the provisions of this subsection.

**80-8-305.** *(Effective January 1, 1990)* **General violations.** (1) Consistent with the provisions of Title 80, chapter 15, it is unlawful for any person:

(a) to discard any pesticide or pesticide container in such a manner as to cause injury to humans, domestic animals, or wildlife, or to pollute any waterway in a way harmful to any wildlife therein or to the environment;

(b) to handle, transport, store, display, or distribute pesticides or pesticide containers in such a manner as to endanger man or the environment or to endanger food or any other products that may be transported, stored, displayed, or distributed with such pesticides;

(c) to handle, apply, or attempt to apply any registered pesticide for which he does not have an appropriate, complete, or legible label at hand;

(d) to apply or attempt to apply any registered pesticide in a manner inconsistent with the label, as defined in 80-8-102; or

(e) to use any unregistered chemical or biological agent that is required to be registered as a pesticide by the Montana Pesticides Act.

(2) It is unlawful for any person to manufacture, formulate, or store any registered pesticide or component or byproduct thereof in such a manner that the pesticide or any component or byproduct cannot be contained or confined within the boundaries of the lands owned by or under the appropriate control of the person involved. Odor is specifically exempted from the provisions of this subsection.

**History:** **En. Sec. 32, Ch. 403, L. 1971; R.C.M. 1947, 27-244; amd. Sec. 9, Ch. 184, L. 1981; amd. Sec. 5, Ch. 181, L. 1989; amd. Sec. 29, Ch. 668, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 181 inserted (1)(e) relating to use of certain unregistered agents. Amendment effective July 1, 1989.

Chapter 668 at beginning of (1) inserted "Consistent with the provisions of Title 80, chapter 15". Amendment effective January 1, 1990.

**80-8-306. Penalties.** (1) Any person convicted of violating any of the provisions of this chapter or the rules issued thereunder or who may misrepresent, impede, obstruct, hinder, or otherwise prevent or attempt to prevent the department or its duly authorized agent in performance of its duty in connection with the provisions of this chapter shall be adjudged guilty of a misdemeanor and shall be fined not less than $100 but not more than $1,500.

(2) The department or its authorized representative is hereby authorized to apply to the district court of the county or any county wherein a violation is about to occur or has occurred to grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this chapter or any rule promulgated under the chapter notwithstanding the existence of other remedies of law. When a person makes pesticide applications in more than one county on a commercial basis without a

license or permit or operates in violation of a lawful written order of the department in more than one county, the district court of Lewis and Clark County has concurrent jurisdiction with the district court of any other county wherein a violation has occurred or is about to occur, and the department may select and proceed in the court most appropriate under the circumstances. The injunction is to be issued without bond.

(3) Nothing in this chapter is to be construed as requiring the department or its authorized agent to report minor violations of the chapter for prosecution or for the institution of seizure proceedings when it believes the public interest will be best served by other remedial action, by a suitable notice of warning in writing, or by a lawful written order; nor is any part of this chapter to be construed to apply to common carriers transporting shipments tendered to them by the general public.

(4) Any person who with intent to defraud uses or reveals information relative to formulas of products acquired under the authority of 80-8-201 shall, upon conviction, be fined not more than $500 or imprisoned for not more than 1 year, or both.

(5) (a) Any registrant, applicator, dealer, retailer, or other person who commits a major violation of this chapter as defined in subsection (5)(d) may be assessed a civil penalty by the department of not more than $1,000 for each offense. However, farm applicators possessing a permit may not be assessed a civil penalty over $200 for the first offense. Assessment of a civil penalty may be made in conjunction with any other department warning, order, or administrative action authorized by this chapter.

(b) No civil penalty may be assessed unless the person charged was given notice and opportunity for a hearing pursuant to the Montana Administrative Procedure Act.

(c) In determining an appropriate penalty, the department shall consider the effect on the person's ability to continue in business, the gravity of the violation which occurred, the degree of care exercised by the offender, and whether significant harm resulted to health, environment, agricultural crops, or livestock.

(d) A major violation of this chapter includes:

(i) misuse of a pesticide which results in proven harm to human health, the environment, or agricultural crops or livestock;

(ii) selling of a restricted pesticide to a person not certified or authorized to purchase such pesticides;

(iii) use or sale of unregistered pesticides;

(iv) failure to maintain any individual pesticide application and sales records;

(v) using or selling pesticides without having obtained the required license or permit; or

(vi) reoccurrence of any identical violation of this chapter within the same calendar year.

(e) If the department is unable to collect such civil penalty or if any person fails to pay all or a set portion of the civil penalty as determined by the department, it may recover such amount by action in the appropriate district court.

(6) Any person against whom the department has assessed a civil penalty under this section may, within 30 days of the final agency action making the

assessment, appeal the assessment to the district court of the county in which the violation is alleged by the department to have occurred. Appeal is by trial de novo, and a jury trial must be granted if requested. Where the provisions of this subsection conflict with 2-4-702 through 2-4-704, the provisions of this subsection govern.

**History:** **En. Sec. 34, Ch. 403, L. 1971; amd. Sec. 17, Ch. 462, L. 1977; R.C.M. 1947, 27-245; amd. Sec. 10, Ch. 184, L. 1981; amd. Sec. 9, Ch. 633, L. 1983.**

**Cross-References**

Injunctive relief, Title 27, ch. 19.

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# CHAPTER 9

# COMMERCIAL FEEDS

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Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

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Land use — land use planning boards, Title 76, ch. 1.

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## Part 1

## General Provisions

**80-9-101. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Brand name" means any word, name, symbol, or device or any combination of them identifying the commercial feed of a distributor or registrant and distinguishing it from that of others.

(2) "Commercial feed" means all materials except the mixed or unmixed whole seeds or physically altered mixed or unmixed entire seeds of cereal grains with or without molasses added, when not adulterated within the meaning of subsections (1) through (5) of 80-9-204, which are distributed for use as feed or for mixing in feed. However, the department may by rule exempt from this definition or from specific provisions of this chapter commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances when those commodities, compounds, or substances are not intermixed or mixed with other materials and are not adulterated within the meaning of subsections (1) through (5) of 80-9-204.

(3) "Custom-mixed feed" means commercial feed which consists of a mixture of either commercial feeds or feed ingredients or both of them, each batch of which is manufactured according to specifications mutually agreed to by the purchaser and the manufacturer. A copy of the specifications or a list of the ingredients, but not necessarily the percentage of each ingredient, shall be on file at the manufacturing facility.

(4) "Distribute" means to offer for sale, sell, exchange, or barter commercial feed.

(5) "Distributor" means a person who distributes.

(6) "Drug" means any article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man and

articles other than feed intended to affect the structure or function of the animal body.

(7) "Feed ingredient" means each of the constituent materials making up a commercial feed.

(8) "Label" means a display of written, printed, or graphic matter upon or affixed to the container in which a commercial feed is distributed or on the invoice or delivery slip with which a commercial feed is distributed.

(9) "Labeling" means all labels and other written, printed, or graphic matter upon a commercial feed, any of its containers, its wrapper, or accompanying the commercial feed.

(10) "Manufacture" means to grind, mix, blend, or further process a commercial feed.

(11) "Mineral feed" means a commercial feed intended to supply primarily mineral elements or inorganic nutrients.

(12) "Official sample" means a sample of feed taken by the department in accordance with the provisions of subsections (3), (5), or (6) of 80-9-301.

(13) "Percent" or "percentage" means percentage by weights.

(14) "Person" means an individual, partnership, corporation, or association.

(15) "Pet" means any domesticated animal normally maintained in or near the household of its owner.

(16) "Pet food" means any commercial feed prepared and distributed for consumption by pets.

(17) "Product name" means the name of the commercial feed which identifies it as to kind, class, or specific use.

(18) "Specialty pet" means any domesticated animal pet normally maintained in a cage or tank, including but not limited to gerbils, hamsters, canaries, psittacine birds, mynahs, finches, tropical fish, goldfish, snakes, and turtles.

(19) "Specialty pet food" means any commercial feed prepared and distributed for consumption by specialty pets.

(20) "Ton" means a net weight of 2,000 pounds avoirdupois.

**History: En. Sec. 1, Ch. 356, L. 1973; R.C.M. 1947, 3-2025; amd. Sec. 12, Ch. 20, L. 1979.**

**80-9-102. Administration.** This chapter shall be administered by the Montana department of agriculture.

**History: En. Sec. 2, Ch. 356, L. 1973; R.C.M. 1947, 3-2026.**

**80-9-103. Rules — adoption by department.** (1) The department may adopt those rules for commercial feeds and pet foods which are specifically authorized in this chapter and those other reasonable rules necessary for the efficient enforcement of this chapter. Unless it determines that they are inconsistent with this chapter or are not appropriate to conditions which exist in this state, the department, in the interest of uniformity, shall adopt:

(a) the official definitions of feed ingredients and official feed terms adopted by the association of American feed control officials and published in the official publication of that organization; and

(b) any rules adopted under the Federal Food, Drug, and Cosmetic Act as long as the department has the authority under this chapter to adopt that rule.

(2) In adopting rules the department will follow procedures prescribed in the Montana Administrative Procedure Act.

History: En. Sec. 10, Ch. 356, L. 1973; R.C.M. 1947, 3-2034.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

"Department" defined, 80-1-101.

Inspection fees, 80-9-206.

Related livestock rules, 81-2-102.

**80-9-104. Cooperation with other agencies.** The department may cooperate with and enter into agreements with governmental agencies of this state, other states, agencies of the federal government, and private associations in order to carry out this chapter.

History: En. Sec. 14, Ch. 356, L. 1973; R.C.M. 1947, 3-2038.

**80-9-105. Publications.** The department shall publish at least annually, in a form it considers proper, information concerning the sale of commercial feed, data on production and use, and the results of analysis of official samples of commercial feeds sold within the state as compared with the analysis guaranteed in the registration and on the label. The information concerning production and use of commercial feed shall not disclose the operations of any person.

History: En. Sec. 15, Ch. 356, L. 1973; R.C.M. 1947, 3-2039.

## Part 2

## Production and Distribution

**80-9-201. Permits and registration.** (1) (a) No person may manufacture for distribution or distribute a commercial feed in this state unless he has obtained a permit by filing with the department, on forms provided by the department, his name, place of business, and location of manufacturing facility, distribution point, or point of invoicing. All new applicants or those failing to renew a permit by January 1 of each year shall pay a nonrefundable fee of $25 per calendar year for each facility, distribution point, or point of invoicing. A permit will remain in force until the end of the calendar year for which it is issued or until canceled by the permit holder or canceled for cause by the department. No refund may be made at the time of cancellation. No transfer of permits will be made. A distributor who distributes only pet foods or specialty pet foods is exempt from this provision.

(b) Feed permit renewals received by the department prior to January 1 of each year must be accompanied by a nonrefundable renewal fee of $25 for each permit.

(2) (a) No person may distribute in this state a commercial feed, except a custom-mixed feed, which has not been registered under this section by the manufacturer. The application for registration must be accompanied by a nonrefundable fee of $6.50 for each product other than a pet food or specialty pet food and a nonrefundable fee of $25 for each pet food or specialty pet food.

(b) The registration of commercial feeds and specialty pet food is for a period of 1 year commencing October 1 and ending September 30 of each year.

(3) An applicant for registration shall file with the department the following information:

(a) his name and address;

(b) a complete copy of the label or label facsimile that will appear on the product;

(c) when requested by the department, promotional material and claims made about the product; and

(d) any other necessary information requested by the department.

(4) The department may refuse registration of any commercial feed not in compliance with this chapter and may cancel any registration subsequently found not to be in compliance with this chapter. No registration may be refused or canceled unless the registrant has been given an opportunity to be heard before the department and to amend his application in order to comply with this chapter.

**History: En. Sec. 3, Ch. 356, L. 1973; R.C.M. 1947, 3-2027; amd. Sec. 1, Ch. 36, L. 1985; amd. Sec. 1, Ch. 38, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(a), at beginning of second sentence, inserted "All new applicants or those failing to renew a permit by January 1 of each year"; inserted (1)(b) requiring a renewal fee of $25; in (2)(a) changed fee for registering commercial feed, other than pet food, from $5 to $6.50; inserted (1)(b) providing registration period; deleted former (4) that provided for a continuous certificate of registration; and made minor changes in style.

**80-9-202. Labeling.** (1) A commercial feed, except a custom-mixed feed, shall be accompanied by a label containing:

(a) the net weight;

(b) the product name and any brand name under which the commercial feed is distributed;

(c) the guaranteed analysis stated in terms the department by rule determines are required to advise the user of the composition of the feed or to support claims made in the labeling. The substances or elements guaranteed must be determinable by laboratory methods such as the methods published by the association of official analytical chemists.

(d) the common or usual name of each ingredient used in the manufacture of the commercial feed. The department by rule may permit the use of a collective term for a group of ingredients which perform a similar function or it may exempt commercial feeds or any group of them from this requirement of an ingredient statement if it finds that the statement is not required in the interest of consumers.

(e) the name and principal mailing address of the manufacturer or the person responsible for distributing the commercial feed;

(f) adequate directions for use for all commercial feeds containing drugs. The department may by rule require directions for the use of other commercial feeds when necessary for their safe and effective use.

(g) precautionary statements which the department by rule determines are necessary for safe and effective use of the commercial feed.

(2) A custom-mixed feed shall be accompanied by a label, invoice, delivery slip, or other shipping document containing:

(a) the name and address of the manufacturer;

(b) the name and address of the purchaser;

(c) the date of delivery;

(d) the specific agreed to composition of the feed or a list of the ingredients, but not necessarily the percentage of each ingredient;

(e) adequate directions for use for all custom-mixed feed containing drugs. The department may by rule require directions for the use of other custom-mixed feeds when necessary for their safe and effective use.

(f) precautionary statements which the department by rule determines are necessary for safe and effective use of the custom-mixed feeds.

**History:** **En. Sec. 4, Ch. 356, L. 1973; R.C.M. 1947, 3-2028.**

**80-9-203. Misbranded feed.** A commercial feed is misbranded if:

(1) its labeling is false or misleading in any particular;

(2) it is distributed under the name of another commercial feed;

(3) it is not labeled as required in 80-9-202;

(4) it purports to be or is represented as containing a commercial feed ingredient, unless the commercial feed or feed ingredient conforms to any definition prescribed by rule of the department;

(5) any word, statement, or other information required by this chapter to appear on the label is not prominently placed there with a conspicuousness (as compared with other words, statements, designs, or devices in the labeling) and in terms which render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

**History:** **En. Sec. 5, Ch. 356, L. 1973; R.C.M. 1947, 3-2029.**

**80-9-204. Adulterated feed.** A commercial feed is adulterated if:

(1) it contains any poisonous or deleterious substance which may render it injurious to health. However, if the substance is not an added substance, the commercial feed shall not be considered adulterated under this subsection if the quantity of the substance in the commercial feed does not ordinarily render it injurious to health.

(2) it contains any added poisonous, deleterious, or nonnutritive substance which is unsafe within the meaning of section 406 of the Federal Food, Drug, and Cosmetic Act (other than one which is a pesticide chemical in or on a raw agricultural commodity or a food additive);

(3) it is or it contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;

(4) it is a raw agricultural commodity and it contains a pesticide chemical which is unsafe within the meaning of section 408(a) of the Federal Food, Drug, and Cosmetic Act. However, where a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or a tolerance prescribed under section 408 of the Federal Food, Drug, and Cosmetic Act and that agricultural commodity has been processed by canning, cooking, freezing, dehydrating, or milling, the residue of the pesticide chemical remaining in or on the processed feed shall not be deemed unsafe if such residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice and the concentration of the residue in the processed feed is not greater than the tolerance prescribed for the raw agricultural commodity, unless the feeding of the processed feed is likely to result in the pesticide residue in the edible product of the animal, which is unsafe within the meaning of section 408(a) of the Federal Food, Drug, and Cosmetic Act;

(5) it is or contains any color additive which is unsafe within the meaning of section 706 of the Federal Food, Drug, and Cosmetic Act;

(6) any valuable constituents have been in whole or in part omitted or abstracted therefrom or any less valuable substance substituted therefor;

(7) its composition or quality falls below or differs from that stated on its label;

(8) it contains a drug and the methods used in or the facilities or controls used for its manufacture, processing, or packaging do not conform to current good manufacturing practice rules adopted by the department to assure that the drug meets the requirement of this chapter as to safety and has the identity and strength and meets the quality and purity characteristics which it is represented to possess. In formulating these rules, the department shall adopt the current good manufacturing practice regulations for medicated feed premixes and for medicated feeds established under the Federal Food, Drug, and Cosmetic Act unless it determines that they are not appropriate to the conditions which exist in this state;

(9) it contains viable weed seeds in amounts exceeding the limits which the department established by rule.

**History: En. Sec. 6, Ch. 356, L. 1973; R.C.M. 1947, 3-2030.**

**80-9-205. Prohibitions.** No person may:

(1) manufacture or distribute any commercial feed that is adulterated or misbranded;

(2) adulterate or misbrand a commercial feed;

(3) distribute agricultural commodities such as whole seed, hay, straw, stover, silage, cobs, husks, and hulls which are adulterated within the meaning of subsections (1) through (5) of 80-9-204;

(4) remove or dispose of a commercial feed in violation of an order under 80-9-302;

(5) fail to register or obtain a permit in accordance with 80-9-201;

(6) violate 80-9-304;

(7) fail to pay inspection fees and file reports as required by 80-9-206.

**History: En. Sec. 7, Ch. 356, L. 1973; R.C.M. 1947, 3-2031.**

**Cross-References**

Violations — remedies, 80-9-301 through 80-9-303.

Prohibition of disclosure of information acquired under this chapter, 80-9-304.

**80-9-206. Inspection fees — filing of annual statement.** (1) An inspection fee shall be paid on all commercial feeds, including custom-mix feeds, except pet foods and specialty pet foods, distributed in this state as follows:

(a) The inspection fee shall be set by rule on a cents-per-ton basis, except that the first 10 tons are exempt. The department may adjust the fee by rule to adequately fund the administration of this chapter. Adjustments shall be made only after holding a public hearing on the proposed changes as required in 80-9-103 and shall remain within the limits of 5 cents to 25 cents per ton. The effective date of any rule adjusting fees will be January 1 of the calendar year following the issuance of such rule. All permit holders are to be notified immediately of any changes in fees.

(b) The feed manufacturer has primary responsibility for paying inspection fees. However, the distributor is responsible for inspection fees if the manufacturer has not paid them.

(c) Inspection fees shall be paid on each commercial feed, including custom-mix feeds and feed ingredients that are defined as commercial feeds even though they are used in the manufacture of other commercial feeds. However, premixes prepared and used within a feed plant are exempt but not premixes or ingredients transferred from one plant to another even within the same organization.

(d) A person producing a commercial feed with a feed mixing plant at a feed lot, poultry, swine, or dairy operation may not be required to pay inspection fees on the commercial feeds produced and used in his feeding operation at the site, but he will be responsible for any unpaid inspection fees on commercial feed purchased by him and on any commercial feed he produces and distributes other than in his feeding operations at the site.

(2) Each person who holds a permit as required in 80-9-201(1) shall:

(a) file, not later than January 31 of each year, an annual statement setting forth the number of tons of commercial feeds distributed in this state during the preceding calendar year (January 1 through December 31) and upon filing such a statement shall pay the inspection fee at the rate stated in subsection (1) of this section. Inspection fees which have not been remitted to the department before January 31 shall have a penalty fee of 10% with a minimum of $10 added to the amount due. The assessment of this penalty fee does not prevent the department from taking other action as provided in this chapter.

(b) keep those records which are necessary or are required by the department to indicate accurately the tonnage of commercial feed distributed in this state. The department may examine the records to verify statements of tonnage.

(c) make accurate and prompt reports as required. Failure to do so is sufficient cause for the department to cancel or refuse to reissue a permit.

**History:** **En. Sec. 8, Ch. 356, L. 1973; R.C.M. 1947, 3-2032; amd. Sec. 2, Ch. 38, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In middle of (1) inserted "including custom-mix feeds"; at end of first sentence in (1)(a) changed fee of 10 cents per ton to a fee to be established by rule and exempted first 10 tons from the fee; at beginning of second sentence of (1)(a) deleted "However, after May, 1975"; in (1)(c), in middle of first sentence, inserted "custom-mix feeds and"; in (2)(a) changed filing date from February 28 to January 31 and in middle of second sentence substituted "before January 31" for "within 15 days following the due date"; and made minor changes in phraseology.

**80-9-207. Deposit of fees.** (1) All fees collected for permits, registration, and inspection shall be deposited in the state treasury to the credit of the state special revenue fund for the purpose of administering this chapter, including the cost of equipment and facilities and the cost of inspecting, analyzing, and examining commercial feeds manufactured or distributed in this state and the cost of developing better analytical methods and means of evaluating the value or the potential toxic qualities of a feed.

(2) The department may direct the board of investments to invest funds from the state special revenue fund pursuant to the provisions of the unified investment program for state funds. The income from such investments shall

be credited to the proper department account in the state special revenue fund.

**History: En. Sec. 9, Ch. 356, L. 1973; amd. Sec. 5, Ch. 16, L. 1977; R.C.M. 1947, 3-2033; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

State treasury fund structure, 17-2-102.

Unified investment program, 17-6-201.

## Part 3

## Enforcement and Penalties

**80-9-301. Enforcement — inspection — notice — sampling and analysis.** (1) To enforce this chapter, the department upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge may enter, during normal business hours, any factory, warehouse, or establishment within the state in which commercial feeds are manufactured, processed, packed, or held or enter any vehicle being used to transport or hold commercial feeds. The department may inspect at reasonable times and within reasonable limits and in reasonable manner any factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling found in them. The inspection may include the verification of only those records and production and control procedures necessary to determine compliance with the good manufacturing practice rules adopted under 80-9-204(8).

(2) A separate notice shall be given for each inspection, but a notice is not required for each entry made during the period covered by the inspection. Each inspection shall be commenced and completed with reasonable promptness. Upon completion of the inspection, the person in charge of the facility or vehicle shall be so notified.

(3) If the officer or employee making the inspection of a factory, warehouse, or other establishment has obtained a sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises, he shall give the owner, operator, or agent in charge a receipt describing the sample obtained.

(4) If the owner of a factory, warehouse, or establishment described in subsection (1) or his agent refuses to allow an inspection, the department may obtain from the district court a warrant directing the owner or his agent to allow inspection of the premises described in the warrant.

(5) To enforce this chapter the department may enter upon any public or private premises, including any vehicle of transport, during regular business hours to obtain samples and examine records relating to distribution of commercial feeds.

(6) Sampling and analysis shall be conducted in accordance with methods published by the association of official analytical chemists or with other generally recognized methods.

(7) The results of all analyses of official samples shall be forwarded by the department to the person named on the label and to the purchaser. When the inspection and analysis of an official sample indicates a commercial feed has been adulterated or misbranded, the department shall upon request within 30

days following receipt of the analysis furnish the registrant a portion of the sample.

(8) The department, in determining for administrative purposes whether a commercial feed is deficient in any component, shall be guided by the official sample as defined in 80-9-101(12) and obtained and analyzed as provided for in subsections (3), (5), and (6) of this section.

(9) All chemical analyses shall be performed cooperatively by the department and the agricultural experiment station at Montana state university.

**History:** **En. Sec. 11, Ch. 356, L. 1973; R.C.M. 1947, 3-2035.**

**80-9-302. Enforcement — embargo order — condemnation.** (1) When the department has reasonable cause to believe any lot of commercial feed is in violation of this chapter or a rule adopted by the department, it may issue and enforce a written or printed embargo order requiring the person holding the commercial feed not to dispose of it in any manner until written permission is given by the department or the court. The department shall release the feed when this chapter and the rules of the department have been complied with. If compliance is not obtained within 30 days, the department may begin or, upon the request of the registrant or the person holding the commercial feed, shall begin proceedings for condemnation.

(2) Commercial feed not in compliance with this chapter or the rules of the department may be seized on complaint of the department to a district court in the area in which the commercial feed is located. If the court finds the commercial feed in violation of this chapter and orders its condemnation, it shall be disposed of in any manner consistent with the quality of the commercial feed and state law. The disposition of the commercial feed may not be ordered by the court without first giving the owner or person from whom the feed was seized an opportunity to apply to the court for release of the commercial feed or for permission to process or relabel the commercial feed to bring it into compliance with this chapter.

**History:** **En. Sec. 12, Ch. 356, L. 1973; R.C.M. 1947, 3-2036.**

**80-9-303. Violation — penalty — injunction — appeal.** (1) A person who violates this chapter or who obstructs, prevents, or attempts to obstruct or prevent the department in the performance of its duty under this chapter is guilty of a misdemeanor and shall be fined not less than $100 or more than $300 for the first violation and not less than $500 or more than $1,000 for a subsequent violation.

(2) Nothing in this chapter requires the department to prosecute, begin seizure proceedings, or issue an embargo order as a result of minor violations or when it believes the public interest will best be served by suitable notice of warning in writing.

(3) A county attorney to whom a violation is reported shall prosecute in a court of competent jurisdiction without delay. Before the department reports a violation for prosecution, an opportunity shall be given the distributor to present his view to the department.

(4) The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating this chapter or any rule adopted under this chapter notwithstanding the existence of other remedies at law. The injunction shall be issued without bond.

(5) Any person adversely affected by an act, order, or ruling made pursuant to the provisions of this chapter may within 30 days seek judicial review in the district court where the person resides or has his place of business.

**History:** **En. Sec. 13, Ch. 356, L. 1973; R.C.M. 1947, 3-2037(1) thru (5).**

**Cross-References**

Injunctive relief provisions, Title 27, ch. 19.

**80-9-304. Disclosure of information prohibited.** A person who uses to his own advantage or reveals to persons other than officers of the department or to the courts when relevant in a judicial proceeding any information acquired under this chapter concerning any method, records, formulations, or processes which as a trade secret is entitled to protection is guilty of a misdemeanor and shall be fined not more than $300 or imprisoned for not more than 1 year, or both. However, the department may exchange information of a regulatory nature with the proper officials of the United States government or of other states who are similarly prohibited by law from revealing that information.

**History:** **En. Sec. 13, Ch. 356, L. 1973; R.C.M. 1947, 3-2037(6).**

**Cross-References**

Constitutional right to information, Art. II, sec. 9, Mont. Const.

Constitutional right of privacy, Art. II, sec. 10, Mont. Const.

# CHAPTER 10

# COMMERCIAL FERTILIZERS

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**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Fertilizer Advisory Committee, 2-15-1516.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on “seed loans” — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees — haulers of fertilizer, 61-10-205.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

Agricultural chemical ground water protection, Title 80, ch. 15.

## Part 1

## General Provisions

**80-10-101. Definitions.** As used in this chapter, the following definitions apply:

(1) "Brand" means a term, design, or trademark used in connection with one or several grades of commercial fertilizer.

(2) "Commercial fertilizer" includes any substance containing one or more recognized plant nutrients which is used for its plant nutrient content and which is designed for use or claimed to have value in promoting plant growth, yield, or quality of the crop.

(a) "Bulk fertilizer" is commercial fertilizer (dry or liquid) distributed in nonpackage form or in containers of greater than 1,000 pounds.

(b) "Fertilizer materials" is a commercial fertilizer which either:

(i) contains important quantities of not more than one of the primary plant nutrients (nitrogen, phosphoric acid, and potash);

(ii) has approximately 85% of its plant nutrient content present in the form of a single chemical compound; or

(iii) is derived from a plant or animal residue or byproduct or a natural material deposit which has been processed in such a way that its content of primary plant nutrients has not been materially changed except by purification and concentration.

(c) "Mixed fertilizers" is a commercial fertilizer (dry or liquid) containing any combination or mixture of fertilizer materials.

(d) "Packaged fertilizer" is commercial fertilizer (dry or liquid) distributed in sealed containers of 1,000 pounds or less.

(e) "Specialty fertilizer" is a commercial fertilizer (dry or liquid) distributed primarily for nonfarm use, such as home gardens, lawns, shrubbery, flowers, golf courses, municipal parks, cemeteries, greenhouses, and nurseries and includes commercial fertilizers used for research or experimental purposes.

(3) "Distribute" means to offer for sale, sell, barter, or otherwise supply commercial fertilizers.

(4) "Distributor" means any person who distributes.

(5) "Grade" means the percentages of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis. However, fertilizer materials, bone meal, manures, and similar raw materials may be guaranteed in fractional units.

(6) "Licensee" means any person who has obtained a license from the department so he may legally distribute commercial fertilizer other than specialty fertilizers or soil amendment in this state.

(7) "Manipulated manures" means substances composed primarily of excreta, plant remains, or mixtures of such substances which have been processed in any manner, including the addition of plant nutrients, drying, grinding, and other means.

(8) "Manufacture" means the formulation, mixing, blending, or further processing of commercial fertilizers or soil amendments.

(9) "Manufacturer" is a person who manufactures commercial fertilizer or soil amendments.

(10) "Official sample" means any sample of commercial fertilizer taken by the department and so designated by the department.

(11) "Percent or percentage" means the percentage by weight.

(12) "Person" means an individual, partnership, association, firm, or corporation.

(13) "Registrant" means the person who registers commercial fertilizer and/or soil amendment.

(14) "Soil amendment" means any material not included under commercial fertilizer or those products subject to the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, which is added to soil or to plants for purposes of influencing the growth, yield, or quality of the crop, soil flora or fauna, or other soil characteristics.

(15) "Ton" means a net weight of 2,000 pounds avoirdupois.

**History:** **En. 3-1714.2 by Sec. 1, Ch. 279, L. 1975; R.C.M. 1947, 3-1714.2; amd. Sec. 2, Ch. 197, L. 1985.**

**80-10-102. Guaranteed analysis.** (1) Until the department prescribes the alternative form under subsection (2) of this section, "guaranteed analysis" means the minimum percentage of plant nutrients claimed in the following order and form:

(a) The following plant nutrients shall be guaranteed:

Total nitrogen (N) ----------------------------------------------------------------%
Available phosphoric acid ($P_2O_5$) ---------------------------------------------%
Soluble potash ($K_2O$) -----------------------------------------------------------%

(b) For unacidulated mineral phosphatic materials and basic slag, bonemeal, tankage, and other organic phosphatic materials, the total phosphoric acid and degree of fineness may also be guaranteed.

(c) Guarantees for plant nutrients other than nitrogen, phosphorus, and potassium may be permitted or required by rules adopted by the department. The guarantees for other nutrients shall be expressed in the form of the element. The sources of other nutrients, including but not limited to oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the department.

(d) Potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton shall be guaranteed when required by regulation.

(2) If the department finds, after public hearing, that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer by reason of conflicting labeling requirements among the states, it may require by department rule that the guaranteed analysis be in the following form:

Total nitrogen (N) ----------------------------------------------------------------%
Available phosphorus (P) ---------------------------------------------------------%
Soluble potassium (K) -------------------------------------------------------------%

(3) The effective date of the rule may not be less than 6 months following the adoption of the rule. For a period of 2 years following the effective date of the rule, the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash. However, after the effective date of a rule requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium is the grade for those elements.

(4) Soil amendments shall guarantee the minimum quantity of each active ingredient in terms approved by the department or in terms as set forth in rules issued by the department. They shall also meet any other requirements established by rule by the department.

**History:** **En. 3-1714.1 by Sec. 87, Ch. 218, L. 1974; Sec. 3-1714.1, R.C.M. 1947; amd. and redes. 3-1714.3 by Sec. 2, Ch. 279, L. 1975; amd. Sec. 18, Ch. 13, L. 1977; R.C.M. 1947, 3-1714.3.**

**Cross-References**

Penalties for deficiencies, 80-10-208.

**80-10-103. Assessment to fund educational and experimental programs — collection.** Moneys to fund 80-10-104 through 80-10-106 must be produced by an assessment of 35 cents per ton of fertilizer sold within Montana. Collections shall be made in accordance with procedures in 80-10-207 and shall be collected from the manufacturer.

**History:** **En. Sec. 1, Ch. 397, L. 1971; amd. Sec. 19, Ch. 13, L. 1977; R.C.M. 1947, 3-1729; amd. Sec. 3, Ch. 197, L. 1985.**

**80-10-104. Allocation of assessment.** The assessment shall be collected by the department and up to 1% shall be retained by the department for costs of collection. The balance shall be deposited in the state special revenue fund with 50% for use by the cooperative extension service and 50% for use by the agricultural experiment station in programs recommended by the fertilizer advisory committee provided for in 2-15-1516 and approved by the respective directors.

**History:** **En. Sec. 2, Ch. 397, L. 1971; amd. Sec. 98, Ch. 218, L. 1974; R.C.M. 1947, 3-1730; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Departmental fees, 80-10-207.

**80-10-105. Educational and experimental programs.** (1) The moneys provided by 80-10-103 shall be used for comprehensive statewide educational and experimental programs aimed at optimum use of fertilizers for feed and food production.

(2) Major goals are to improve Montana's economy by providing farmers and ranchers the most accurate information possible about fertilizer use and soil management for greatest profits consistent with environmental protection on the many varied soil and climatic conditions of the state.

**History:** **En. Sec. 3, Ch. 397, L. 1971; R.C.M. 1947, 3-1731.**

**80-10-106. Meetings and functions of advisory committee.** The advisory committee shall meet a minimum of once each year with the directors of the cooperative extension service and the agricultural experiment station to perform the following functions:

(1) review the educational and experimental programs financed by this chapter;

(2) recommend needed programs and/or program adjustments;

(3) report to the Montana house and/or senate agriculture committees as requested.

**History:** **En. Sec. 6, Ch. 397, L. 1971; R.C.M. 1947, 3-1734.**

## Part 2

## Licensing and Registration

**80-10-201. Registration.** (1) Each brand and grade of fertilizer and each soil amendment except unmanipulated animal and vegetable manures shall be registered by or on behalf of the manufacturer before distribution in this state. The application for registration shall be submitted to the department on a form furnished or approved by the department and shall be accompanied by a nonrefundable fee of $10 per grade for each fertilizer and for each soil amendment with exception of specialty fertilizers which shall be registered at a nonrefundable fee of $25 each. Upon approval, the department shall furnish a copy of the registration to the applicant. All registrations expire on December 31 of each year.

(2) (a) The application for registration shall include:

(i) the brand and grade;

(ii) the guaranteed analysis;

(iii) the source of each plant food element guaranteed;

(iv) the name and address of the registrant;

(v) a copy or facsimile of each label and of promotional material when requested by the department.

(b) Further, the department shall require the applicant to furnish replicated data, performed by a reputable investigator whose work is recognized as acceptable by the director of the agricultural experiment station or his designee, verifying any claims for effectiveness or agricultural value of any fertilizer or soil amendment product which is not generally recognized as having the values claimed at the use rates recommended.

(3) A distributor may not be required to register any brand or grade of commercial fertilizer which is already registered under this section by another person.

(4) No manufacturer may reregister his product until full payment of the assessment fees provided for in 80-10-103 and 80-10-207 has been received by the department.

**History: En. 3-1715.1 by Sec. 3, Ch. 279, L. 1975; R.C.M. 1947, 3-1715.1(1), (2); amd. Sec. 4, Ch. 197, L. 1985; amd. Sec. 1, Ch. 27, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In second sentence of (1) inserted "nonrefundable" before "fee of $10", after "specialty fertilizers" deleted "in packages of 10 pounds or less", and inserted "nonrefundable" before "fee of $25 each".

**Cross-References**

Fee for agricultural chemical ground water protection, 80-15-302.

**80-10-202. License required.** No person shall distribute in this state any type of fertilizer or soil amendment, except unmanipulated animal or vegetable manures or specialty fertilizer, until a license to distribute has been obtained from the department for each facility distributing into this state and for each handling facility in this state. All new applicants or those failing to renew their licenses by January 1 of each year shall pay a nonrefundable $75 fee for each license. The department may exempt, by rule, manufacturers. All licenses expire on December 31 of each year and are subject to the following:

(1) The application for license shall be on forms provided by the department.

(2) The licensee is not required to register a grade of fertilizer registered by the manufacturer or blended to grade from registered products by the licensee.

(3) License renewals received by the department prior to January 1 of each year must be accompanied by a fee of $50 for each license."

**History: En. 3-1715.1 by Sec. 3, Ch. 279, L. 1975; R.C.M. 1947, 3-1715.1(4); amd. Sec. 2, Ch. 27, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of first sentence, after "this state", deleted "upon payment of"; inserted second sentence relating to failure to renew licenses by January 1 and increasing the fee from $50 to a nonrefundable $75 fee; deleted former (2) that read: "(2) The applicant shall provide a sample copy of labeling to be used. The form of labeling shall meet department standards, established by rule, and all labeling shall be in proper form"; inserted (3) establishing a $50 fee for renewals received prior to January 1; and made minor changes in form.

**80-10-203. Fertilizer to be uniform.** (1) The plant nutrient content of every brand and grade of commercial fertilizer shall remain uniform for the period of registration.

(2) The manufacturer or distributor shall at all times deliver a uniform grade of fertilizer or soil amendment. When two or more fertilizers are delivered in the same load, they shall be thoroughly and uniformly mixed unless they are in separate compartments.

**History: En. 3-1715.1 by Sec. 3, Ch. 279, L. 1975; R.C.M. 1947, 3-1715.1(3), (5).**

**80-10-204. Labeling.** (1) Any commercial fertilizer distributed in this state in packages shall have affixed to or printed on the container a label setting forth in clearly legible and conspicuous form:

(a) the net weight;

(b) the name and address of the manufacturer or distributor guaranteeing the analysis;

(c) the brand and product name;

(d) the grade;

(e) the guaranteed analysis; and

(f) other requirements as established by rule.

(2) Any bin in the state in which commercial fertilizer is stored for distribution must have affixed to or printed on it a label setting forth in clearly legible and conspicuous form:

(a) the guaranteed analysis of the product in the bin; and

(b) other requirements established by rule.

(3) All commercial fertilizer delivered in this state in bulk, whether a manufactured grade or blended grade, shall be accompanied by a clearly legible document which shall be supplied to the purchaser at the time of delivery and at the time his invoice is delivered. The document shall show:

(a) net weight;

(b) name and address of the distributor or manufacturer guaranteeing the analysis;

(c) guaranteed analysis or, on blended fertilizer, the net weight and guaranteed analysis of each ingredient added; and

(d) other requirements as established by rule.

(4) When distributed in containers, soil amendments shall have a label affixed to or printed on the container. When delivered in bulk the label shall

be clearly legible and shall accompany the delivery of the product. This label shall be supplied to the purchaser at the time of delivery and at the time of invoicing. The label shall contain the following information:

(a) net weight;

(b) name and address of the registrant or licensee who is responsible for the product;

(c) brand and product name;

(d) guaranteed analysis;

(e) other requirements, such as particle size, as established by rule.

**History: En. 3-1716.1 by Sec. 4, Ch. 279, L. 1975; R.C.M. 1947, 3-1716.1; amd. Sec. 5, Ch. 197, L. 1985.**

**80-10-205. Misbranding and adulteration prohibited.** No person shall distribute a misbranded or adulterated fertilizer or soil amendment. A commercial fertilizer or soil amendment is misbranded if it:

(1) carries any false or misleading statement upon or attached to the container or if false or misleading statements concerning its agricultural value are made on the container or in any advertising matter accompanying or associated with the product;

(2) is distributed under the name of another product;

(3) is not labeled as required in 80-10-204 and in accordance with rules prescribed under this chapter; or

(4) purports to be or is represented as a commercial fertilizer or is represented as containing a plant nutrient or commercial fertilizer, unless that plant nutrient or commercial fertilizer conforms to the definition of identity, if any, prescribed by rule of the department. In adopting this type rule, the department shall give due regard to commonly accepted definitions and official fertilizer terms as issued by the association of American plant food control officials.

**History: En. 3-1720.1 by Sec. 7, Ch. 279, L. 1975; R.C.M. 1947, 3-1720.1.**

**80-10-206. Inspection, sampling, and analysis.** (1) The department, in cooperation with the agricultural experiment station of Montana state university, shall sample, inspect, analyze, and test commercial fertilizers and soil amendments distributed in this state at a time and place and to an extent necessary to determine whether the commercial fertilizers or soil amendments are in compliance with this chapter. The department may enter upon any public or private premises during regular business hours in order to have access to commercial fertilizers or soil amendments subject to this chapter.

(2) The methods of analysis and sampling shall be those adopted by the department from sources such as those of the association of official analytical chemists. The results of analysis, together with additional information the department considers advisable, shall be transmitted promptly to the manufacturer and to the dealer or person in whose possession the product was sampled.

(3) The department, in determining whether any commercial fertilizer is deficient in plant food or soil amendment is deficient, shall be guided solely by the official sample obtained and analyzed as provided for in subsections (1) and (2) of this section.

(4) If on the basis of an inspection or the analysis of the official sample a commercial fertilizer or soil amendment is found to be subject to penalty

or other legal action, the department shall forward to the registrant notification of the violation at least 10 days before its report is made public. If during that period no adequate evidence to the contrary is made available to the department, the report becomes official. Upon request, the department shall furnish to the registrant a portion of any sample found subject to penalty or other legal action.

**History:** En. Sec. 7, Ch. 41, L. 1957; amd. Sec. 90, Ch. 218, L. 1974; amd. Sec. 6, Ch. 279, L. 1975; R.C.M. 1947, 3-1718.

**Cross-References**

Violations, 80-10-303.

**80-10-207. Fees.** (1) (a) A manufacturer registering under 80-10-201(1) shall pay to the department fees on all commercial fertilizer distributed in this state, except specialty fertilizers and unmanipulated animal and vegetable manures, provided that sales to manufacturers or exchanges between them are exempt. The fees are:

(i) inspection of fertilizers other than anhydrous ammonia, 20 cents per ton. The department may by rule after hearing adjust the inspection fee not to exceed a maximum of 25 cents per ton to maintain adequate funding for the administration of this part. Any change in fee becomes effective on the first day of a reporting period. All manufacturers shall be given notice of any change in fees before the effective date.

(ii) inspection of anhydrous ammonia, 20 cents per ton. The department may by rule after hearing adjust the anhydrous ammonia inspection fee not to exceed a maximum of 65 cents per ton to maintain adequate funding for the administration and enforcement of part 5 of this chapter. Any change in fee becomes effective on the first day of a reporting period. All registrants and manufacturers of anhydrous ammonia shall be given notice of any change in fees before the effective date of the fee adjustment.

(iii) assessment, the fee prescribed in 80-10-103. The assessment fee shall be used to fund educational and experimental programs as provided in 80-10-103 through 80-10-106.

(b) If fertilizer or soil amendment material is added to fertilizer for which a fee has been paid under subsection (1)(a), a fee must be paid under that subsection, but only on the added fertilizer or soil amendment.

(2) There shall be paid to the department on all soil amendments distributed in this state an inspection fee of 10 cents per ton subject to the following provisions:

(a) sales to manufacturers or exchanges between them are exempt; and

(b) when less than 50 tons of registered soil amendment is sold per 6-month period, there shall be paid to the department a fee of $5 per soil amendment per 6-month period in lieu of the 10 cents per ton fee. Inspection fees shall be used by the department for administration of this part.

(3) (a) (i) Every licensee who distributes a soil amendment or commercial fertilizer, except specialty fertilizer and unmanipulated manures, to an unlicensed or unregistered person in this state shall file with the department on forms furnished or approved by the department a semiannual statement for the periods ending June 30 and December 31 setting forth the number of net tons of each commercial fertilizer and/or soil amendment distributed in this

state during the 6-month period. The report is due on or before the 30th day of the month following the close of each period.

(ii) Every manufacturer who registers a soil amendment or commercial fertilizer in this state or a person who registers on the manufacturer's behalf, except specialty fertilizer and unmanipulated manures, shall file with the department on forms furnished or approved by the department a monthly statement setting forth the number of net tons of each registered commercial fertilizer and soil amendment distributed in this state during the month and to whom it was distributed. The report is due on or before the 30th day of the following month. The manufacturer or person registering on behalf of the manufacturer shall pay the fees set forth in subsection (1) at that time.

(b) If the tonnage report required by subsection (3)(a)(ii) is not filed and the payment of fees is not made within 30 days after the end of the period, a collection fee amounting to 10% of the amount due but not less than $10 shall be assessed against the manufacturer and the amount of fees due shall constitute a debt and become the basis of a judgment against the manufacturer.

(4) Except as provided in subsection (5), all fees collected for licenses, registration, and inspection and moneys collected as penalties shall be deposited in the state treasury to the credit of the state special revenue fund for the purpose of administering this chapter, including the cost of equipment and facilities and the cost of inspecting, analyzing, and examining commercial fertilizer and soil amendments manufactured or distributed in this state. Reserve funds may be invested by the department with interest credited to the state special revenue fund.

(5) All fees collected under subsection (1)(a)(ii) shall be deposited in the state treasury to the credit of the state special revenue fund, anhydrous ammonia account, for the administration and enforcement of part 5 of this chapter and the rules adopted thereunder.

**History: En. 3-1717.1 by Sec. 5, Ch. 279, L. 1975; R.C.M. 1947, 3-1717.1; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 6, Ch. 197, L. 1985; amd. Sec. 8, Ch. 310, L. 1985; amd. Sec. 3, Ch. 27, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In middle of (1)(a), after "specialty fertilizers", deleted "sold in packages of 10 pounds or less"; near beginning of first sentence of (3)(a)(i), after "specialty fertilizer", deleted "in packages of 10 pounds or less"; and near beginning of first sentence of (3)(a)(ii), after "specialty fertilizer", deleted "in packages of 10 pounds or less".

**Cross-References**

State treasury fund structure, 17-2-102.

Assessments to fund educational and experimental programs, 80-10-103.

"Anhydrous ammonia" defined, 80-10-502.

**80-10-208. Penalties.** (1) A penalty of two times the commercial value of the deficiency, as determined by the dealer's or manufacturer's price on the date of sampling of the deficiency or deficiencies, shall be assessed:

(a) if the analysis shows that a commercial fertilizer is deficient in one or more of its guaranteed primary plant foods (NPK) beyond the investigational allowance as established by regulation; or

(b) if the overall index value of the fertilizer is below the level established by regulation.

(2) When a commercial fertilizer is subject to a penalty under both (1)(a) and (1)(b), the larger penalty applies.

(3) Deficiencies beyond the investigational allowances as established by regulation in any other constituent covered under subsections (1)(b),(1)(c), and (1)(d) of 80-10-102 which the registrant is required to or may guarantee shall be evaluated, and penalties shall be assessed at two times the commercial value of the deficiency as determined by the dealer's retail price on the date of sampling.

(4) Nothing contained in this section shall prevent any person from appealing the department's decision to a court of competent jurisdiction.

(5) All penalties assessed under this section shall be paid to the consumer of the lot, not to exceed 100 tons, of commercial fertilizer represented by the sample analyzed within 3 months after the date of notice from the department to the registrant or licensee. If at the end of the 3-month period the consumer cannot be found, receipts shall be taken and promptly forwarded to the department for deposit in the state special revenue fund as provided in 80-10-207.

**History: En. 3-1726.1 by Sec. 13, Ch. 279, L. 1975; R.C.M. 1947, 3-1726.1; amd. Sec. 1, Ch. 277, L. 1983.**

**80-10-209. Publications.** The department shall publish at least annually information concerning the sales of commercial fertilizers and soil amendments together with data on their production and use as it considers advisable and shall report the results of the analyses based on official samples of commercial fertilizers and soil amendments sold in this state.

**History: En. Sec. 11, Ch. 41, L. 1957; amd. Sec. 92, Ch. 218, L. 1974; amd. Sec. 9, Ch. 279, L. 1975; R.C.M. 1947, 3-1722.**

**80-10-210. Licensee reports — confidentiality — inspection — failure to file.** (1) Information contained in the reports required by 80-10-207(3) shall be held confidential by the department. Summary data published by the department shall be in a form that will not disclose details of any operation or business.

(2) The department may inspect and audit, during normal business hours, each licensee's records for the purpose of verifying tonnage reports.

(3) Failure to file an accurate report constitutes a violation of this chapter and may be punished by fine, revocation of license, or both.

**History: En. 3-1721.1 by Sec. 8, Ch. 279, L. 1975; R.C.M. 1947, 3-1721.1; amd. Sec. 13, Ch. 20, L. 1979.**

**80-10-211. Cancellation or refusal of registration or licenses.** (1) The department may cancel the registration of any commercial fertilizer or soil amendment and may refuse to register any commercial fertilizer or soil amendment upon satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of this chapter or any rules adopted under it. However, no registration may be revoked or refused until the registrant is given the opportunity to amend his application or correct other practices.

(2) The department may cancel any license or refuse to license any person when it has satisfactory evidence that the person has used fraudulent or deceptive practices in the evasion or attempted evasion of this chapter or any rules adopted under it. However, no license may be revoked or refused until

the person involved is given the opportunity to appear for a hearing by the department.

**History:** En. Sec. 13, Ch. 41, L. 1957; amd. Sec. 6, Ch. 43, L. 1963; amd. Sec. 94, Ch. 218, L. 1974; amd. Sec. 11, Ch. 279, L. 1975; R.C.M. 1947, 3-1724.

**80-10-212. Exchanges between manufacturers.** Nothing in this chapter shall be construed to restrict or avoid sales or exchanges of commercial fertilizers or soil amendment to each other by importers, manufacturers, or manipulators who mix fertilizer materials for sale or as preventing the free and unrestricted shipments of commercial fertilizer or soil amendment to manufacturers or manipulators who have registered their brands and grades or licensed their facilities as required by the provisions of this chapter.

**History:** En. Sec. 17, Ch. 41, L. 1957; amd. Sec. 15, Ch. 279, L. 1975; R.C.M. 1947, 3-1728.

## Part 3

## Enforcement

**80-10-301. Rules — adoption by department.** (1) The department may adopt those rules for commercial fertilizer and soil amendment which are specifically authorized in this chapter and those other reasonable rules necessary for the efficient enforcement of this chapter.

(2) In adopting rules the department shall follow procedures prescribed in the Montana Administrative Procedure Act.

**History:** En. 3-1723.1 by Sec. 10, Ch. 279, L. 1975; R.C.M. 1947, 3-1723.1.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-10-302. Enforcement — embargo order — condemnation.** (1) When the department has reasonable cause to believe any lot of commercial fertilizer or soil amendment is in violation of this chapter or a rule adopted by the department, it may issue and enforce a written or printed embargo order requiring the person holding the commercial fertilizer or soil amendment not to dispose of it in any manner until written permission is granted by the department or the court. The department shall release the product when this chapter and the rules of the department have been complied with. If compliance is not obtained within 30 days, the department may begin or, upon the request of the registrant or the person holding the product, shall begin proceedings for condemnation.

(2) Commercial fertilizer or soil amendment not in compliance with this chapter or the rules of the department may be seized on complaint of the department to a district court in the area in which the product is located. If the court finds the product in violation of this chapter and orders its condemnation, the fertilizer or amendment shall be disposed of in any manner consistent with the quality of the product and state law. The disposition of the product may not be ordered by the court without first giving the owner or person from whom the product was seized an opportunity to apply to the court for release of the product or for permission to process or relabel the product to bring it into compliance with this chapter.

**History:** En. 3-1725.1 by Sec. 12, Ch. 279, L. 1975; R.C.M. 1947, 3-1725.1.

**80-10-303. Violations — enforcement proceedings — judicial review.** (1) If it appears from the examination of any commercial fertilizer or from the inspection of any anhydrous ammonia facility that this chapter or the rules adopted under this chapter have been violated, the department shall give notice of the violations to the registrant, licensee, distributor, or possessor from whom the sample was taken. A person notified shall be given an opportunity to be heard under rules of the department. If it appears after a hearing, either in the presence or absence of the person notified, that this chapter or rules issued under this chapter have been violated, the department may certify the facts to the proper prosecuting attorney.

(2) A person who violates this chapter or the rules adopted under this chapter or who obstructs, prevents, or attempts to prevent the department from performing its duty under this chapter is guilty of a misdemeanor and shall be fined not less than $300 or more than $500 for the first violation and not less than $300 or more than $1,000 for a subsequent violation. In all prosecutions under this chapter involving the composition of a lot of commercial fertilizer, a certified copy of the official analysis of the department is prima facie evidence of the composition.

(3) Nothing in this chapter requires the department to report for prosecution or for the beginning of seizure proceedings minor violations of this chapter when it believes that the public interest will be best served by a suitable notice of warning in writing.

(4) A prosecuting attorney to whom a violation is reported shall prosecute the violator in a court of competent jurisdiction without delay.

(5) The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this chapter or any rule adopted under the chapter notwithstanding the existence of other remedies at law. The injunction shall be issued without bond.

(6) If a person adversely affected by an act, order, or ruling made by the department under this chapter is not entitled to a hearing before the department to determine his rights, he may within 45 days sue in the district court of any county where the alleged violation giving rise to the department's act, order, or ruling occurred, for new trial of the issues bearing upon the act, order, or ruling. After the trial the court may issue and enforce those orders, judgments, or decrees it considers proper, just, and equitable.

**History: En. Sec. 16, Ch. 41, L. 1957; amd. Sec. 2, Ch. 55, L. 1965; amd. Sec. 97, Ch. 218, L. 1974; amd. Sec. 14, Ch. 279, L. 1975; R.C.M. 1947, 3-1727; amd. Sec. 9, Ch. 310, L. 1985.**

**Cross-References**

"Contested case" defined — applicability of Montana Administrative Procedure Act, 2-4-102.

Injunctive relief provisions, Title 27, ch. 19.

"Anhydrous ammonia facility" defined, 80-10-502.

## Part 4 reserved

## Part 5

## Anhydrous Ammonia Facilities

**80-10-501. Short title.** This part shall be known and may be cited as the "Anhydrous Ammonia Facilities Safety Act".

**History: En. Sec. 1, Ch. 310, L. 1985.**

**80-10-502. Definitions.** As used in this part, the following definitions apply:

(1) "Anhydrous ammonia" means a compound formed by a combination of two gaseous elements, nitrogen and hydrogen, in the proportion of one part nitrogen to three parts hydrogen by volume, which compound is in either gaseous or liquid form and is used primarily as fertilizer.

(2) "Anhydrous ammonia facility" or "facility" means any building, tank, or system of equipment used for processing, storing, or distributing anhydrous ammonia and includes all appurtenances to such building, tank, or system.

**History:** **En. Sec. 2, Ch. 310, L. 1985.**

**80-10-503. Rulemaking authority and requirements.** (1) The department shall adopt rules for the design, construction, repair, alteration, location, installation, and operation of anhydrous ammonia facilities. Such rules must be in substantial conformity with nationally recognized safety standards for the storage and handling of anhydrous ammonia. The rules shall require the owner to place his name and phone number on his anhydrous ammonia tank or tanks. The department may adopt additional rules necessary for the protection and safety of persons employed in anhydrous ammonia facilities, persons using anhydrous ammonia, and the public.

(2) The rules must include a provision under which new or existing facilities may apply for a temporary or permanent variance from any requirement of the rules. The rules must provide criteria for granting or denying a variance request and must provide for written notice and public hearing on any variance request.

(3) The department shall coordinate its rulemaking activities with other executive branch agencies and departments by providing them with timely information on the adoption of the rules, inviting and encouraging their participation, giving due weight and consideration to their comments and testimony, and coordinating interdepartmental meetings on matters pertaining to the adoption of the rules.

**History:** **En. Sec. 3, Ch. 310, L. 1985.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**80-10-504 and 80-10-505 reserved.**

**80-10-506. Preexisting facilities.** Any facility in operation prior to the adoption of rules under 80-10-503 that is not in compliance with the rules must be allowed to continue in operation unless the department, after inspection and written notice to the owner or operator, makes a determination that the facility presents a safety hazard to employees, other persons using the facility, or the public.

**History:** **En. Sec. 4, Ch. 310, L. 1985.**

**80-10-507. Variance.** A person who owns or controls a facility may request in writing from the department a variance, which is an exemption or partial exemption from any rule governing the design, construction, repair, alteration, location, installation, or operation of a facility.

**History:** **En. Sec. 5, Ch. 310, L. 1985.**

**80-10-508. Enforcement.** This part must be enforced as provided in 80-10-303.

History: En. Sec. 6, Ch. 310, L. 1985.

**80-10-509. Funding.** Administration and enforcement of the provisions of this part and the rules adopted under 80-10-503 must be funded through expenditures of the anhydrous ammonia account established under 80-10-207(5).

History: En. Sec. 7, Ch. 310, L. 1985.

# CHAPTER 11

# MARKETING

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80-11-411. Integrated pest management program — field inspection services.
80-11-412. Assessment on mint oil.
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80-11-414. Payment of assessment — sworn statement.
80-11-415. Mint account — sources — use — expenditures.
80-11-416. Records required.
80-11-417. Mint oil purchaser license — application — fee.
80-11-418. Penalty for nonpayment of assessment.
80-11-419. Penalty.

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**Chapter Cross-References**

Department of Agriculture and special levies created, Art. XII, sec. 1, Mont. Const.

Montana Wheat Research and Marketing Committee, 2-15-3002.

Montana Agriculture Development Council, 2-15-3015.

County agricultural and livestock services, 7-21-3201 through 7-21-3203.

Public markets, Title 7, ch. 21, part 33.

City to weigh and inspect grain and hay, 7-21-4203.

Taxation provisions — tax exemption provisions, 15-6-201, 15-6-206, 15-6-207.

Taxation provisions — greenbelt appraisal — valuation of land as agricultural, Title 15, ch. 7, part 2.

Land use — Realty Transfer Act — exceptions for agricultural lands, 15-7-307.

Land use — assessment rates for agricultural lands, 15-8-111.

Taxation provisions — valuation exception for agricultural implements and machinery, 15-8-111.

Financial obligations — obligations on "seed loans" — County Treasurers' lists, 15-16-701.

Taxation provisions — individual income tax exceptions for farmers, ranchers, and stockmen, 15-30-241.

Taxation provisions — corporate license tax exemption for agricultural organizations, 15-31-102.

Taxation provisions — gasoline license and special fuels use taxes, Title 15, ch. 70, parts 2 and 3.

U.C.C. — warehouse receipts and other shipping documents, Title 30, ch. 7.

Financial obligations — perfection of security interests in farm equipment, 30-9-302, 30-9-307.

Agricultural liens — rules for filing — perfection and priority rights, 30-9-421.

Agricultural liens — filing provisions not to affect Department authority as to branded livestock, 30-9-423.

Weight and measure of berries and small fruits, 30-12-408.

Cooperative agricultural associations, Title 35, ch. 16.

Cooperative agricultural marketing, Title 35, ch. 17.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, part 1; 50-31-202.

Sale of agricultural goods by state institutions, Title 53, ch. 1, part 3.

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

Land use — relocation of power lines upon installation of agricultural improvements — sprinkler irrigation systems, Title 69, ch. 4, part 4.

Free fare for caretaker of vegetables and fruit shipped by railroad, 69-11-208.

Transportation of agricultural products by farmers and ranchers exempt from motor carrier law, 69-12-102.

Grain and commodity storage and transportation, Title 69, ch. 14, part 9.

Suitable railroad cars to be furnished for grain or other bulk commodity shipments, 69-14-921.

Land use — relocation of farm persons displaced when land condemned, Title 70, ch. 31, part 1.

Agricultural liens — threshers' liens, 71-3-124; Title 71, ch. 3, part 8.

Agricultural liens — farm laborers' liens, Title 71, ch. 3, part 4.

Agricultural liens — crop liens for seed and grain and liens for hail insurance, Title 71, ch. 3, part 7.

Agricultural liens — crop or grain liens for spraying or dusting, Title 71, ch. 3. part 9.

Agricultural liens — agisters' liens and liens for service, Title 71, ch. 3, part 12.

Land use — land use planning boards, Title 76, ch. 1.

Land use — local regulation of subdivisions — agriculture-related provisions, 76-3-207, 76-3-401, 76-3-608.

Land use — state lands classification, Title 77, ch. 1, part 4.

Land use — conflicting or harmonious leasing of state lands for mining and agricultural purposes, 77-3-104, 77-3-120, 77-3-207.

Agricultural loans — loan guaranty program — fund, 80-12-215, 80-12-216.

Marketing — export assistance, Title 90, ch. 9, part 4.

## Part 1

## Agricultural Marketing and Transportation

**Part Cross-References**

Agricultural vehicle provisions — exemption of farm implements from certain identification requirements, 61-3-431, 69-12-408.

Agricultural vehicle provisions — motor vehicle license exemption for tractor drivers, 61-5-104, 61-8-101.

Agricultural vehicle provisions — exceptions to equipment requirements, 61-9-109, 61-9-215, 61-9-406, 61-10-102, 61-10-122, 61-10-123.

Agricultural vehicle provisions — slow-moving vehicles — equipment requirements, 61-9-415.

Agricultural vehicle provisions — special fees for certain farm vehicles, 61-10-206.

**80-11-101. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Agricultural products" means crops, livestock, and livestock products.

(2) "Marketing" means all activities involved in getting agricultural products from the producer to the consumer and includes transportation, processing, and distribution.

**History: En. Sec. 2, Ch. 330, L. 1969; Sec. 3-117, R.C.M. 1947; amd. and redes. 3-3002 by Sec. 6, Ch. 218, L. 1974; R.C.M. 1947, 3-3002.**

**80-11-102. Intent of legislature.** It is the intent of the legislature that the department of agriculture coordinate marketing from the initial producer to the consumer and reduce marketing cost by assisting both producer and industry to find ways to more efficiently market their products. The department shall also endeavor to develop new and improved systems of marketing which will result in the stabilization and improvement of returns for industry and the producer. It shall work with farm leaders, farmer cooperatives, processors, wholesalers, retailers, representatives of the transportation industry, consumer groups, and others as a means of correcting marketing inefficiencies or eliminating restrictions.

**History: En. Sec. 1, Ch. 330, L. 1969; Sec. 3-116, R.C.M. 1947; amd. and redes. 3-3001 by Sec. 5, Ch. 218, L. 1974; R.C.M. 1947, 3-3001.**

**80-11-103. Department's marketing duties.** The department shall:

(1) keep abreast of research results in the subject matter area of marketing;

(2) coordinate work with local, state, and national planning groups and other interested parties in helping them identify major problem areas and needs in marketing;

(3) develop and carry out appropriate action programs that will result in significant improvements being made by those people concerned with problems of marketing;

(4) coordinate efforts with representatives of other agencies or organizations or persons who are concerned with related programs;

(5) investigate the costs of marketing;

(6) gather and disseminate information concerning supply, demand, favorable marketing information, prevailing prices, and changes in marketing movements, practices, and rates, including common and cold storage of food products;

(7) promote, assist, and encourage the organization and operation of cooperative and other associations and organizations for improving the relations and services among producers, distributors, and consumers of food products;

(8) investigate the practice and methods concerning the marketing of agricultural products;

(9) act as mediator or arbitrator, when invited, in a controversy or issue that may arise between producers and distributors;

(10) assist producers and distributors in the economical and efficient distribution of agricultural products at fair prices;

(11) appear and be heard at any hearing involving agricultural marketing affecting Montana.

**History:** En. Sec. 4, Ch. 330, L. 1969; Sec. 3-119, R.C.M. 1947; amd. and redes. 3-3003 by Sec. 7, Ch. 218, L. 1974; R.C.M. 1947, 3-3003.

**Cross-References**

"Department" defined, 80-1-101.

**80-11-104. Cooperation of state agencies.** All agencies of the state which participate in marketing shall cooperate with and assist the department.

**History:** En. Sec. 8, Ch. 330, L. 1969; Sec. 3-123, R.C.M. 1947; amd. and redes. 3-3004 by Sec. 8, Ch. 218, L. 1974; R.C.M. 1947, 3-3004.

## Part 2

## Wheat Research and Marketing

**80-11-201. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Commercial channels" means the sale of wheat or barley for any use when sold to any commercial buyer, dealer, processor, cooperative, or to any person, public or private, who resells any wheat or barley or product produced from wheat or barley.

(2) "Committee" means the Montana wheat and barley committee provided for in 2-15-3002.

(3) "First purchaser" means any person, public or private corporation, association, or partnership buying, accepting for shipment, or otherwise acquiring the property in or to wheat or barley from a grower and shall include a mortgagee, pledgee, lienor, or other person, public or private, having a claim against the grower, where the actual or constructive possession of such wheat or barley is taken as part payment or in satisfaction of such mortgage, pledge, lien, or claim.

(4) "Grower" means any landowner personally engaged in growing wheat or barley, a tenant of the landowner personally engaged in growing wheat or

barley, or both the owner and the tenant jointly; and includes a person, partnership, association, corporation, cooperative, trust, sharecropper, and any and all other business units, devices, and arrangements.

(5) "Sale" includes any pledge or mortgage of wheat or barley after harvest to any person, public or private.

**History:** En. Sec. 4, Ch. 314, L. 1967; amd. Sec. 109, Ch. 218, L. 1974; amd. Sec. 2, Ch. 71, L. 1975; R.C.M. 1947, 3-2904; amd. Sec. 1, Ch. 630, L. 1983; amd. Sec. 2, Ch. 48, L. 1987.

**80-11-202. Declaration of policy.** In the presence of the facts that wheat is the principal grain crop produced in Montana and as such is an agricultural resource of the first magnitude in the economy of the inhabitants of Montana, a prime factor in the production of wealth and the development and stabilization of property values and of activities and enterprises which are bases and sources of important contributions by taxation to the public revenues, and that Montana wheat is a commodity which enters a world market highly competitive in character and that barley is also an important crop, it is hereby declared to be the public policy of the state of Montana to protect and foster the health, prosperity, and general welfare of its people by encouraging and promoting intensive, scientific, and practical research into all phases of wheat and barley culture and production, marketing, and use and into the development of markets for wheat and barley grown in Montana by the department.

**History:** En. Sec. 2, Ch. 314, L. 1967; amd. Sec. 108, Ch. 218, L. 1974; amd. Sec. 1, Ch. 71, L. 1975; R.C.M. 1947, 3-2902.

**80-11-203. Compensation — per diem.** Members of the committee shall receive no salary but shall be paid from the wheat and barley account in the state special revenue fund a per diem of $25 for each day they are engaged in the transaction of official business, together with their actual and necessary travel expenses, as provided for in 2-18-501 through 2-18-503, incurred while on official business.

**History:** En. Sec. 6, Ch. 314, L. 1967; amd. Sec. 110, Ch. 218, L. 1974; amd. Sec. 3, Ch. 71, L. 1975; amd. Sec. 5, Ch. 439, L. 1975; R.C.M. 1947, 3-2906; amd. Sec. 2, Ch. 277, L. 1983; amd. Sec. 3, Ch. 48, L. 1987; amd. Sec. 9, Ch. 700, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Before "special" substituted "state" for "other"; and made minor changes in grammar. Amendment effective July 1, 1989.

**80-11-204. Election of chairman — time of meetings.** At the first meeting of the administrative committee, it shall elect a chairman from among its members. The committee shall meet at least once every 3 months and at such other times as called by the chairman or by any three members of the committee.

**History:** En. Sec. 8, Ch. 314, L. 1967; R.C.M. 1947, 3-2908.

**80-11-205. Powers of the committee.** (1) The committee may:

(a) adopt rules necessary for the administration of this part;

(b) provide, through the department, for the enforcement of this part;

(c) provide for the conduct of research into the production, marketing, and uses of wheat and barley;

(d) enter into contracts or agreements with Montana state university and other local, state, or national organizations, public or private, for the purposes of improving wheat or barley quality, increasing the efficiency of production, developing marketing knowledge, developing markets, determining new uses for wheat or barley, developing alternative crops for wheat or barley, and carrying out all research and marketing contemplated by this part. The committee may not establish research units or agencies of its own.

(2) No researchers or professional or scientific personnel may be employed to carry out this part except as provided in subsection (1)(d) of this section.

(3) None of the powers or duties provided for in this part permit participation in state or federal political action by the committee.

**History: En. Sec. 9, Ch. 314, L. 1967; amd. Sec. 111, Ch. 218, L. 1974; amd. Sec. 4, Ch. 71, L. 1975; R.C.M. 1947, 3-2909; amd. Sec. 2, Ch. 630, L. 1983.**

**80-11-206. Maximum annual assessment on wheat and barley grown.** (1) There is hereby levied an annual assessment of not more than 10 mills per bushel upon all wheat grown and not more than 15 mills per hundredweight on all barley grown in the state of Montana and sold through commercial channels. The assessment is hereby levied and imposed on each grower of wheat or barley in the state of Montana:

(a) in the case of sale of wheat or barley, at the time of any sale of wheat or barley by a grower, and shall be collected by the first purchaser of the wheat or barley from the grower at the time of each settlement for wheat or barley purchased; or

(b) in the case of a pledge or mortgage of wheat or barley as security for a loan under any federal price support program, the assessment shall be collected by deducting the amount thereof from the proceeds of such loan at the time the loan is made by the agency or person making the loan.

(2) The assessment levied under the provisions of this part shall be deducted and collected as provided by this part, whether such wheat or barley is stored in this or any other state. The assessment shall attach to each transaction, but no grower shall be subject to assessment more than once irrespective of the number of times it shall be the subject of a sale, pledge, mortgage, or other transaction, the assessment being imposed and attaching on the initial sale, pledge, mortgage, or other transaction in which the wheat or barley grower parts with title to the wheat or barley, or creates some interest therein in a pledgee, mortgagee, or other person.

**History: En. Sec. 11, Ch. 314, L. 1967; amd. Sec. 1, Ch. 201, L. 1971; amd. Sec. 5, Ch. 71, L. 1975; R.C.M. 1947, 3-2911; amd. Sec. 1, Ch. 530, L. 1979; amd. Sec. 1, Ch. 31, L. 1983.**

**80-11-207. Buyer's delivery of invoice to grower — form — filing of sworn statement — payment of assessment — refund.** (1) The purchaser of the wheat or barley at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

(a) the name and address of the grower and seller;

(b) the name and address of the purchaser or the lender;

(c) the number of bushels of wheat or hundredweights of barley sold, mortgaged, or pledged;

(d) the date of the purchase, mortgage, or pledge and the amount of assessment collected and remitted to the department.

(2) The purchaser, mortgagee, or pledgee shall file with the department, on forms prescribed by the department, within 20 days after the end of a month in which he purchases a grower's wheat or barley or in which a lender makes a loan or advance on a grower's wheat or barley, a sworn statement of the number of bushels of wheat or hundredweights of barley purchased in Montana or the number of bushels of wheat or hundredweights of barley mortgaged or pledged or otherwise transferred or liened as security for a loan during the preceding calendar month. At the time the sworn statement is filed, the purchaser or lender shall pay to the department the assessment provided for in 80-11-206 for deposit in the wheat and barley account in the state special revenue fund.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures. A person may not alter any part of a statement.

(4) After 30 days and before 90 days following the deduction of the assessment by the first purchaser or the first lender, the grower may, upon the submission of a written, verified request to the department, obtain a refund of the assessment. The request shall be accompanied by the original invoices received by the grower at the time of settlement. The department shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed 2 years after the refund is made. All original invoices shall be returned to the grower with the refund payment.

**History: En. Sec. 13, Ch. 314, L. 1967; amd. Sec. 2, Ch. 201, L. 1971; amd. Sec. 112, Ch. 218, L. 1974; amd. Sec. 6, Ch. 71, L. 1975; R.C.M. 1947, 3-2913; amd. Sec. 43, Ch. 281, L. 1983; amd. Sec. 4, Ch. 48, L. 1987; amd. Sec. 10, Ch. 700, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near end of (2) substituted "state" for "other"; and made minor changes in grammar. Amendment effective July 1, 1989.

**80-11-208. Receipt of gifts, grants, or donations for research purposes.** The department may receive any gifts, grants, or donations for any research of scientific inquiries conducted under this part and may spend them in compliance with the conditions of the grants, gifts, and donations.

**History: En. Sec. 15, Ch. 314, L. 1967; amd. Sec. 113, Ch. 218, L. 1974; R.C.M. 1947, 3-2915.**

**80-11-209. Official bonds of employees.** Employees of the department participating in the handling of assessment receipts or other receipts shall be bonded for the faithful and safe handling and accounting for the receipts while in their hands and for faithful compliance with this part.

**History: En. Sec. 16, Ch. 314, L. 1967; amd. Sec. 114, Ch. 218, L. 1974; R.C.M. 1947, 3-2916.**

**80-11-210. Wheat and barley account — sources — use — expenditures.** (1) There shall be an account in the state special revenue fund known as the wheat and barley account. The following shall be placed in the account:

(a) the proceeds of all millage levies collected under this part; and

(b) the proceeds from all gifts, grants, or donations to the department for research authorized under this part.

(2) The account shall be maintained for the purposes of this part and shall be separate from all other accounts of the department.

(3) The department may direct the board of investments to invest funds from the account pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the wheat and barley account.

**History: En. Sec. 17, Ch. 314, L. 1967; amd. Sec. 2, Ch. 70, L. 1973; amd. Sec. 115, Ch. 218, L. 1974; amd. Sec. 2, Ch. 16, L. 1977; R.C.M. 1947, 3-2917; amd. Sec. 2, Ch. 277, L. 1983; amd. Sec. 5, Ch. 48, L. 1987; amd. Sec. 11, Ch. 700, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) substituted "state" for "other"; and made minor changes in grammar. Amendment effective July 1, 1989.

**80-11-211. Violation — penalty.** Any person violating any of the provisions of this part shall be guilty of a misdemeanor and shall upon conviction be fined not less than $25 or more than $500.

**History: En. Sec. 19, Ch. 314, L. 1967; R.C.M. 1947, 3-2919.**

**80-11-212. Terminated.** Sec. 6, Ch. 630, L. 1983.

**History: En. Sec. 3, Ch. 630, L. 1983.**

**80-11-213 through 80-11-220 reserved.**

**80-11-221. Repealed.** Sec. 2, Ch. 31, L. 1983.

**History: En. Sec. 2, Ch. 530, L. 1979.**

**80-11-222. Repealed.** Sec. 2, Ch. 31, L. 1983.

**History: En. Sec. 3, Ch. 530, L. 1979; amd. Sec. 2, Ch. 615, L. 1981.**

**80-11-223. Repealed.** Sec. 2, Ch. 31, L. 1983.

**History: En. Sec. 4, Ch. 530, L. 1979.**

**80-11-224. Determination of amount and allocation of assessment.** (1) The committee shall set the amount of the assessment each year in accordance with 80-11-206.

(2) Money deposited in the wheat and barley account pursuant to 80-11-210 is appropriated to the committee for purposes of carrying out research and marketing under this part.

(3) The committee may be assessed costs by the department for the services it provides upon request or pursuant to 2-15-121. However, the costs charged must have a substantial relationship to the cost of services supplied.

**History: En. Sec. 1, Ch. 615, L. 1981; amd. Sec. 6, Ch. 48, L. 1987.**

## Part 3

## Alfalfa Seed Industry

**80-11-301. Short title.** This part may be cited as the "Alfalfa Seed Industry Act".

**History: En. Sec. 2, Ch. 405, L. 1981.**

**80-11-302. Findings — purpose.** (1) The legislature finds that:

(a) it is in the best interest of all the people of Montana that the abundant natural resources of the state be protected, fully developed, and uniformly distributed;

(b) economic waste threatens the alfalfa seed industry in Montana because of lack of proper advertising and dissemination of information necessary for the development and promotion of alfalfa seed grown in the state and because of lack of facilities and funds for research to:

(i) develop and improve control measures for diseases and pests which attack alfalfa seed pollinators;

(ii) improve alfalfa seed growing culture; and

(iii) disseminate information to the growers; and

(c) it is in the interest of the people and general welfare of the state that this avoidable economic waste be eliminated by the growers having at their disposal all available information on the best and most advanced methods of culture, growing, harvesting, and marketing of alfalfa seed.

(2) The purpose of this part is to promote the general welfare of the people of the state by improving the culture and production of and expanding the market for alfalfa seed grown in the state.

**History: En. Sec. 3, Ch. 405, L. 1981.**

**80-11-303. Definitions.** As used in this part the following definitions apply:

(1) "Committee" means the Montana alfalfa seed committee established in 2-15-3004.

(2) "Dealer" means any person, partnership, association, corporation, cooperative, or other business unit or device that first handles, packs, ships, buys, and sells alfalfa seed or that acts as sales or purchasing agent, broker, or factor of alfalfa seed.

(3) "Grower" means any landowner personally engaged in growing alfalfa seed, a tenant personally engaged in growing alfalfa seed, or both the owner and the tenant jointly, and includes a person, partnership, association, corporation, cooperative organization, trust, sharecropper, or any and all other business units, devices, and arrangements that grow alfalfa seed or are engaged in the pollination of alfalfa seed.

(4) "Handled in the primary channels of trade" means the time when any alfalfa seed is delivered under a sales contract, sold, or delivered for shipment and sale.

**History: En. Sec. 4, Ch. 405, L. 1981.**

**80-11-304. Powers of the committee.** The committee may:

(1) provide, through the department of agriculture, for the administration and enforcement of this part;

(2) enter into contracts in the name of the committee;

(3) authorize the purchase of all office equipment or supplies and incur all other reasonable and necessary expenses and obligations required for the proper carrying out of the provisions of this part;

(4) become a member of and purchase membership in trade organizations and subscribe to and purchase trade bulletins, journals, and other trade publications;

(5) plan and conduct a research program to improve the quality of alfalfa seed, develop and improve control measures for disease and pests which attack alfalfa and alfalfa seed pollinators, improve alfalfa growing culture, disseminate such information among the growers and dealers of the state, and make such research contracts and other agreements as may be necessary;

(6) plan and conduct a publicity and sales promotion campaign to increase the sale and use of Montana alfalfa seed and make such publicity and sales promotion contracts and other agreements as may be necessary;

(7) in cooperation with the director of the department of agriculture, establish and maintain the executive offices of the committee at any place within the state, which designated place may be changed at the discretion of the director and the committee;

(8) recommend rules and orders to be adopted for the exercise of its power and the performance of its duties, in accordance with the Montana Administrative Procedure Act;

(9) cooperate with any local, state, or national organization or agency, whether voluntary or created by the law of any state or the United States government, engaged in work or activities similar to the work and activities of the committee and enter into contracts or agreements with such organizations or agencies for carrying on a joint campaign of research, education, product protection, publicity, and reciprocal enforcement of these objectives; and

(10) accept grants, donations, and gifts from any source for expenditure for any purpose consistent with this part, which may be specified as a condition of any grant, donation, or gift.

**History:** **En. Sec. 5, Ch. 405, L. 1981.**

**80-11-305. Compensation — per diem.** Each committee member is entitled to $25 compensation for each day he is engaged in the transaction of official business, together with actual and necessary travel expenses, as provided for in 2-18-501 through 2-18-503.

**History:** **En. Sec. 6, Ch. 405, L. 1981.**

**80-11-306. Liability of state.** The state of Montana is not liable for the acts or omissions of the committee or any member, officer, agent, or employee thereof.

**History:** **En. Sec. 7, Ch. 405, L. 1981.**

**80-11-307. Assessment on alfalfa seed.** (1) There is hereby levied upon all alfalfa seed grown in this state and sold through commercial channels an assessment of ½ of 1% of the grower's price received at the point of first sale.

(2) If it appears from an investigation that the revenue from the assessment levied under subsection (1) is inadequate to accomplish the purposes of this part, the committee shall file with the director of agriculture a report showing the necessity of the industry, extent of public convenience, interest, and necessity, and probable revenue from the additional assessment desired to be levied. The director of agriculture may thereupon increase the assessment to a sum not to exceed 1% of the grower's price received at the point of first sale. No increase may be made prior to filing of the report and recommendation by the committee.

**History:** **En. Sec. 8, Ch. 405, L. 1981.**

**80-11-308. Payment of assessment.** All assessments levied and imposed under 80-11-307 must be paid to the department of agriculture by the person, either grower or dealer, by whom the alfalfa seed is first handled in the primary channels of trade and must be paid at such times as the department may by rule prescribe but not later than 60 days from the date on which the grower received payment for the alfalfa seed. If the party first handling the alfalfa seed in the primary channels of trade is a person other than the grower, he may charge against or recover from the grower of such alfalfa seed the full amount of any assessment levied and imposed under 80-11-307.

**History:** **En. Sec. 9, Ch. 405, L. 1981.**

**80-11-309. Refund of assessment.** Any person who has paid assessments to the department may request the department to refund all or any portion of the assessment levied under the rules of the department and paid by the producer. All such requests must be in writing, filed not later than August 1 of each calendar year for the preceding crop year, and must be on forms to be available without cost to all producers who pay assessments.

**History:** **En. Sec. 10, Ch. 405, L. 1981.**

**80-11-310. Deposit and disbursement of funds — records — investment.** (1) As soon as possible after receipt, all money received by the department from the assessment levied under 80-11-307 and all other money received shall be deposited in the state special revenue fund.

(2) All money referred to in subsection (1) of this section may be used only for the payment of expenses incurred in carrying out the provisions of this part. The committee may be assessed costs by the department for the services it provides upon request or pursuant to 2-15-121; however, the costs charged must have a substantial relationship to the cost of services supplied.

(3) Money received under this section, 80-11-312, and 80-11-313 not immediately required for the purposes of this part must be invested under provisions of the unified investment program established in Title 17, chapter 6, part 2.

(4) Money received under this section, 80-11-312, and 80-11-313 is appropriated to the committee for the purposes of this part.

**History:** **En. Sec. 11, Ch. 405, L. 1981; amd. Sec. 2, Ch. 277, L. 1983; amd. Sec. 12, Ch. 700, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near end of (1) substituted "state" for "other"; and made minor changes in grammar. Amendment effective July 1, 1989.

**80-11-311. Records required.** Every dealer shall maintain accurate records of all alfalfa seed handled, packed, shipped, or processed by him. The records shall be in such form and contain such information as the department may by rule prescribe, shall be preserved for a period of 2 years, and are subject to inspection at any time upon request of the department or its agents.

**History:** **En. Sec. 12, Ch. 405, L. 1981.**

**80-11-312. Penalty for nonpayment.** Any grower or dealer who fails to make collection or pay any assessment within the time required pursuant to this part is subject to a penalty of 5% of the amount of the assessment determined to be due, as provided in this part, plus 1% of such amount for each month of delay or fraction thereof after the expiration of the month after such assessment became due. The penalty must be paid to the department and disposed of as provided in 80-11-310.

**History:** **En. Sec. 13, Ch. 405, L. 1981.**

**80-11-313. Penalty.** In addition to the penalty specified in 80-11-312, any person who violates or aids in a violation of any of the provisions of this part or any of the rules or orders of the department adopted under this part, upon conviction thereof, is punishable by a fine not to exceed $500. All fines collected, except fines collected by a justice's court, shall be deposited as provided in 80-11-310.

**History:** **En. Sec. 14, Ch. 405, L. 1981; amd. Sec. 52, Ch. 557, L. 1987.**

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

## Part 4

## Mint and Mint Oil Production

**Part Compiler's Comments**

*Effective Date:* Section 20, Ch. 182, L. 1989, provided that this part is effective July 1, 1989.

**80-11-401. Findings — purpose.** (1) The legislature finds that:

(a) It is in the best interest of the people of Montana that the abundant natural resources of the state be protected, fully developed, and uniformly distributed.

(b) Plant and pest diseases threaten the mint oil industry in Montana because of a lack of regulatory enforcement capability.

(c) It is in the interest of the people and to the benefit of the general welfare of the state that avoidable economic waste be eliminated as a result of mint growers having at their disposal all available information on the best and most advanced methods of culture, growing, and harvesting mint and controlling mint diseases and pests.

(2) The purpose of this part is to promote the general welfare of the people of Montana by:

(a) improving the culture and production of mint grown in this state;

(b) developing and improving control measures for diseases and pests that attack mint in order to maintain disease-free Montana mint; and

(c) disseminating appropriate information to Montana mint growers.

**History:** **En. Sec. 2, Ch. 182, L. 1989.**

**80-11-402. Definitions.** As used in this part, the following definitions apply:

(1) "Committee" means the Montana mint committee established in 2-15-3006.

(2) "First purchaser" means a person, partnership, association, cooperative, or other business unit or device that first buys mint oil for subsequent sale or that acts as a sales or purchasing agent, broker, or factor of mint. The term includes a mortgagee, pledgee, lienor, or other person, public or private, having a claim against a grower, where the actual or constructive possession

of mint oil is taken as partial payment or in satisfaction of a mortgage, pledge, lien, or claim.

(3) "Grower" means a landowner who is personally engaged in growing mint, a tenant who is personally engaged in growing mint, or both the landowner and tenant jointly, and includes a person, partnership, association, corporation, trust, sharecropper, or other business unit, device, or arrangement that grows mint.

(4) "Sale" means any pledge or mortgage of mint oil to any person, public or private.

**History:** **En. Sec. 3, Ch. 182, L. 1989.**

**80-11-403. Powers of the committee.** The committee may:

(1) provide for the administration and enforcement of this part;

(2) enter into contracts, in the name of the committee, to:

(a) improve the quality of mint;

(b) develop and improve control measures for diseases and pests that attack mint;

(c) improve mint growing culture;

(d) disseminate appropriate information among mint growers and dealers of the state; and

(e) carry out the purposes of this part;

(3) authorize the purchase of office equipment and supplies and incur other reasonable and necessary expenses and obligations required to carry out this part;

(4) become a member of and purchase membership in trade organizations and subscribe to and purchase trade bulletins, journals, and other trade publications;

(5) adopt rules and orders for the exercise of its power and the performance of its duties in accordance with the Montana Administrative Procedure Act;

(6) cooperate with any local, state, or national organization or agency, whether voluntary or created by the law of any state or the United States, engaged in work or activities similar to the work and activities of the committee and enter into contracts with those organizations or agencies for conducting joint campaigns of research, education, disease control, product protection, and reciprocal enforcement of objectives;

(7) accept grants, donations, and gifts from any source for expenditure for any purpose consistent with this part and spend the proceeds in compliance with the conditions of the grants, donations, and gifts; and

(8) establish an integrated pest management program, complete with field scouting services, as provided in 80-11-411.

**History:** **En. Sec. 4, Ch. 182, L. 1989.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**80-11-404. Compensation — per diem.** Each committee member is entitled to $25 compensation for each day he is engaged in the transaction of official business, together with actual and necessary travel expenses as provided for in 2-18-501 through 2-18-503.

**History:** **En. Sec. 5, Ch. 182, L. 1989.**

**80-11-405. Election of chairman — time of meetings.** At the first meeting of the committee, it shall elect a chairman from among its members. The committee shall meet at least once annually and at such other times as called by the chairman or by any three members of the committee.

**History:** En. Sec. 6, Ch. 182, L. 1989.

**80-11-406 through 80-11-410 reserved.**

**80-11-411. Integrated pest management program — field inspection services.** (1) The purpose of the integrated pest management program is to identify, as early as possible, any potentially damaging diseases, weeds, or pests that could inhibit the long-term future health of the Montana mint industry.

(2) Noxious weed counts, mint plant and soil-borne disease levels, and pest population levels must be provided by the committee on a regular basis to each grower for his individual farm.

(3) Two mandatory field inspections by a department-appointed consultant must be made annually. One inspection must be before harvest in an attempt to identify areas of verticillium wilt. One inspection must be after harvest to identify nematode damage.

**History:** En. Sec. 7, Ch. 182, L. 1989.

**80-11-412. Assessment on mint oil.** (1) There is levied on all mint oil produced in this state and sold through normal commercial channels an assessment of not less than 10 cents or more than 15 cents a pound. The assessment is levied on each grower in the following manner:

(a) in the case of the sale of mint oil, the assessment must be collected by the first purchaser from the grower at the time of each settlement for mint oil purchased; or

(b) in the case of a pledge or mortgage of mint oil as security for a loan, the assessment must be collected by deducting the amount of the assessment from the proceeds of the loan at the time the loan is made by the agency or person making the loan.

(2) The assessment must be deducted and collected whether the mint oil is stored in this state or any other state. The assessment is imposed on the initial sale, pledge, mortgage, or other transaction in which a grower parts with title to the mint oil or creates an interest in the mint oil in a pledgee, mortgagee, or other person, but a grower is not subject to assessment more than once regardless of the number of times the oil is subject to a sale, pledge, mortgage, or other transaction.

(3) The committee shall by rule set the amount of the assessment annually in accordance with subsection (1).

**History:** En. Sec. 8, Ch. 182, L. 1989.

**80-11-413. Buyer's delivery of invoice to grower — form.** The purchaser of mint oil at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give a separate invoice for each purchase to the grower. The invoice must be on forms approved by the committee and must contain:

(1) the name and address of the grower and seller;

(2) the name and address of the purchaser or the lender;
(3) the number of pounds of mint oil sold, mortgaged, or pledged;
(4) the date of purchase, mortgage, or pledge; and
(5) the amount of the assessment collected and remitted to the committee.

**History:** **En. Sec. 9, Ch. 182, L. 1989.**

**80-11-414. Payment of assessment — sworn statement.** (1) The purchaser, mortgagor, or pledgee shall file with the committee, on forms prescribed by the committee, within 20 days after the end of a month in which mint oil is purchased, a sworn statement of the number of pounds of mint oil purchased in Montana or the number of pounds of mint oil mortgaged, transferred, or otherwise subject to a lien as security for a loan during the preceding calendar month. At the time the statement is filed, the purchaser or lender shall pay to the committee the assessment provided for in 80-11-412 for deposit in the mint account in the state special revenue fund.

(2) The sworn statement referred to in subsection (1) must be legible and free of corrections and alterations.

**History:** **En. Sec. 10, Ch. 182, L. 1989.**

**80-11-415. Mint account — sources — use — expenditures.** (1) There is an account in the state special revenue fund, known as the mint account. The following must be placed in the account:

(a) the proceeds of all assessments collected under this part; and

(b) the proceeds from all grants, gifts, or donations to the committee for research authorized under this part.

(2) The account must be maintained for the purposes of this part and is separate from all other accounts of the department.

(3) The committee may direct the board of investments to invest funds from the account pursuant to the provisions of the unified investment program for state funds. The income from the investments must be credited to the mint account.

**History:** **En. Sec. 11, Ch. 182, L. 1989.**

**Cross-References**

Unified investment program, Title 17, ch. 6, part 2.

**80-11-416. Records required.** Every first purchaser of mint oil shall maintain accurate records of all mint oil handled, packed, shipped, or processed by him. The records must be in the form and contain the information the committee may by rule prescribe. The records must be preserved for 2 years and are subject to inspection at any time upon request of the committee or its agents.

**History:** **En. Sec. 12, Ch. 182, L. 1989.**

**80-11-417. Mint oil purchaser license — application — fee.** (1) Every person acting as a first purchaser shall annually file a written application with the committee for a license. The application must include:

(a) the applicant's name;

(b) the applicant's principal business addresses, both within and outside Montana;

(c) the name of a person authorized to receive service of summons and legal notices of all kinds for the applicant; and

(d) any other information the committee may require.

(2) Each application must be accompanied by a license fee of $50. A license is valid for the calendar year in which it is issued.

(3) A license must be issued if the committee is satisfied that the applicant is of good character and reputation and is financially responsible.

**History: En. Sec. 13, Ch. 182, L. 1989.**

**80-11-418. Penalty for nonpayment of assessment.** Any grower or first purchaser of mint oil who fails to make collection or pay an assessment within the time required pursuant to this part is subject to a penalty of 5% of the amount of the assessment determined to be due as provided in this part, plus 1% of that amount for each month of delay, or fraction thereof, after the expiration of the month after the assessment became due. The penalty must be paid to the committee and disposed of as provided in 80-11-415.

**History: En. Sec. 14, Ch. 182, L. 1989.**

**80-11-419. Penalty.** In addition to the penalty specified in 80-11-418, any person who violates or aids in the violation of any of the provisions of this part or any rules or orders of the committee adopted under this part is punishable upon conviction by a fine not to exceed $500. All fines collected must be deposited as provided in 80-11-415.

**History: En. Sec. 15, Ch. 182, L. 1989.**

# CHAPTER 12

# MONTANA AGRICULTURAL LOAN AUTHORITY ACT

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**Chapter Cross-References**

Montana Unified Volume Cap Bond Allocation Plan Act, Title 17, ch. 5, part 13.

Disposal of foreclosed agricultural land, Title 25, ch. 13, part 9.

Agriculture development — investments, Title 90, ch. 9, part 3.

## Part 1

## General

**80-12-101. Short title.** This chapter may be cited as the "Montana Agricultural Loan Authority Act".

**History:** **En. Sec. 2, Ch. 580, L. 1983.**

**80-12-102. Definitions.** (1) As used in this chapter, the following definitions apply:

(a) "Agricultural land" means land actively devoted to agricultural use as defined in 15-7-202.

(b) "Authority" means the agricultural loan authority provided for in 2-15-3011.

(c) "Bonds" means bonds or bond anticipation notes issued by the authority under the provisions of this chapter.

(2) References to the authority's property, revenues, or assets apply only to property, revenues, and assets generated by the Montana agricultural loan authority program, not those owned or generated by any other program or property over which the authority exercises general authority, direction, and control.

**History:** **En. Sec. 3, Ch. 580, L. 1983.**

**80-12-103. Agricultural loan authority — general powers.** The authority may:

(1) retain professional consultants and advisers;

(2) adopt rules governing its procedures;

(3) purchase agricultural loans made by financial institutions;

(4) issue bonds, in accordance with 80-12-301, necessary to provide funds for implementing this chapter;

(5) invest any funds generated by sale of bonds in the permissible investments outlined in 17-6-211 until such time as the funds are needed for any of the authority's other functions;

(6) procure insurance or guaranties in amounts and in the form the authority considers desirable or necessary, from any party, including a governmental agency, against any loss in connection with its loan agreements; and

(7) use the assistance and services of the farmers home administration, the production credit association, the federal land bank, or private lenders in approving loans for issuance of bonds.

**History:** **En. Sec. 4, Ch. 580, L. 1983; amd. Sec. 1, Ch. 448, L. 1985.**

**80-12-104. Powers to be interpreted broadly.** The powers enumerated in this chapter must be interpreted broadly to effectuate the purposes of the authority and may not be construed as a limitation of powers.

**History:** **En. Sec. 27, Ch. 580, L. 1983.**

## Part 2

## Loans

**80-12-201. Loan agreements — general provisions.** (1) Each loan approved by the authority for issuance of a bond must include a loan agreement providing a payment schedule that may not exceed 30 years.

(2) The agreement must specify a reasonable rate of interest, which rate may be a variable rate provided the method of determination is contained in the loan agreement.

(3) Loans approved by the authority for issuance of a bond may be secured by any liens or collateral the financial institution considers necessary.

(4) The money received under a loan agreement may be used for:

(a) acquisition of farm or ranch land;

(b) a down payment on the acquisition of farm or ranch land; or

(c) acquisition or construction of depreciable property used in the operation of a farm or ranch.

**History:** **En. Sec. 5, Ch. 580, L. 1983.**

**80-12-202. Immediate repayment.** If an applicant who has obtained the approval of the authority for the issuance of a bond to fund his loan for the acquisition of farm or ranch land sells the land for which the loan was made to any person, firm, or corporation other than his spouse, children, or corporation wholly owned by them, the loan must be repaid in full.

**History:** **En. Sec. 6, Ch. 580, L. 1983.**

**80-12-203. Qualifications of applicants.** (1) To be eligible for a loan approved by the authority for issuance of a bond, an applicant must:

(a) declare his intention to maintain his residence in Montana during the length of the loan;

(b) have been approved by a financial institution; and

(c) have a net worth not to exceed $250,000.

(2) Applications for loans to be approved by the authority for issuance of bonds may be submitted by individuals, partnerships, associations, or joint

ventures. All persons involved in the application must meet the requirements of subsection (1). Corporations, as defined in 35-1-102, may not apply.

**History:** **En. Sec. 7, Ch. 580, L. 1983; amd. Sec. 1, Ch. 542, L. 1985.**

**80-12-204. Evaluation of applicants.** (1) The authority shall by rule establish:

(a) procedures and standards for evaluating applications for loans to be approved by the authority for issuance of bonds; and

(b) a system for evaluating the applicants, considering the following criteria:

(i) the applicant's net worth;

(ii) the applicant's access to livestock and machinery;

(iii) the applicant's training and experience in agriculture;

(iv) the applicant's prospects for succeeding in an agricultural operation on the land proposed for purchase; and

(v) any other factors it may prescribe.

(2) The authority shall select the best qualified and most deserving applicants from among those applying for approval of loans for issuance of bonds.

(3) The authority may seek the advice of such lenders as the farmers home administration, the production credit association, the federal land bank, private lenders, or similar organizations in Montana and coordinate its program through these organizations.

**History:** **En. Sec. 8, Ch. 580, L. 1983; amd. Sec. 2, Ch. 542, L. 1985.**

**80-12-205. Purchase of loans.** The authority may purchase loans and make advance commitments to purchase loans from a financial institution at prices and upon terms and conditions established pursuant to 80-12-201 through 80-12-204 and rules promulgated by the authority.

**History:** **En. Sec. 9, Ch. 580, L. 1983.**

**80-12-206 through 80-12-210 reserved.**

**80-12-211. Income tax deduction for land sale to beginning farmers.** A landowner who sells land consisting of 80 acres or more to a beginning farmer at 9% or less interest on a long-term contract is entitled to a reduction in his taxable income in an amount equal to 100% of any income or capital gain, or both, realized and otherwise subject to state income taxes from the sale, up to a maximum of $50,000, provided the transaction is approved by the authority for this purpose.

**History:** **En. Sec. 23, Ch. 580, L. 1983; amd. Sec. 4, Ch. 542, L. 1985.**

**80-12-212 through 80-12-214 reserved.**

**80-12-215. Loan guaranty program.** (1) The authority may guarantee and make commitments to guarantee payment required by a loan funded under this chapter or any other agricultural loan for which a guaranty has been approved by the authority upon such terms and conditions as the authority may prescribe in accordance with this chapter. In administering the guaranty program, the authority may require the payment of a fee or premium, establish application fees, and prescribe application, notification, contract and guaranty forms, rules, and guidelines.

(2) Guaranties by the authority under this chapter must:

(a) be made for a loan that the authority finds meets the policies and objectives of this chapter;

(b) be made to an applicant for a guaranty approved by the authority;

(c) contain amortization provisions satisfactory to the authority; and

(d) be in such principal amount, be in such form, and contain such terms and provisions with respect to payment of property insurance, repairs, alterations, taxes, assessments, delinquency charges, and default remedies as the authority determines to be necessary.

(3) The authority is authorized from time to time to enter into guaranties, insurance contracts, or any other agreements or contracts with respect to the agricultural loan guaranty fund and any guaranteed loan or other credit agreement. Such an agreement or contract may contain terms and provisions necessary or desirable in connection with the guaranty program, subject to the requirements established, including without limitation terms and provisions relating to loan documentation, review, approval procedures, origination and servicing rights and responsibilities, default obligations, procedures and obligations, and obligations with respect to guaranty contracts made under this chapter.

(4) Any contract of guaranty made by the authority under the authorization of this chapter must provide that claims payable thereunder must be paid from amounts available in the agricultural loan guaranty fund and from amounts available under the terms of any applicable contract or agreement with the financial institution that originated the guaranteed loan. The obligation of the authority to make payments under such a contract is limited solely to such sources and does not constitute a debt or liability of the state. A guaranty contract and any rule or guideline of the authority implementing the guaranty program may contain such other terms, provisions, or conditions as the authority considers necessary or appropriate, including without limitation those relating to the payment of guaranty premiums, the giving of notice, claim procedure, the sources of payment for claims, the priority of competing claims for payment, the release or termination of loan security and borrower liability, the timing of payment, the maintenance and disposition of projects and the use of amounts received during periods of loan delinquency or upon default, and any other provision concerning the rights of insured parties or conditions to the payment of guaranty claims. Any premiums for the guarantee of loan payments under the provisions of this chapter may be determined on such basis and be payable by such person in such amounts and at such times as the authority determines, and the amount of the premium need not be uniform among the various loans, leases, or other credit agreements guaranteed.

**History: En. Sec. 2, Ch. 448, L. 1985.**

**80-12-216. Agricultural loan guaranty fund.** (1) The authority shall create an agricultural loan guaranty fund. The fund must be held by a trustee or other fiduciary designated by the authority. There must be deposited into the fund amounts, insurance fees, premiums, and such other revenues and assets as the authority considers necessary to comply with any contract or agreement entered into by the authority under this chapter. The authority may borrow from and deposit in the agricultural loan guaranty fund up to

$20,000,000 from any available state fund, including funds of the Montana board of housing.

(2) The amounts in the fund must be used to satisfy any claim resulting from a defaulted loan or other credit agreement. The amounts in the fund may also be used for any other purpose prescribed by the authority in accordance with guaranty contracts with financial institutions entered into pursuant to this chapter, including without limitation the protection of the interest of the authority in loans during periods of delinquency or upon default.

(3) The minimum reserve requirement for the agricultural loan guaranty fund must be such amount as may be provided in an agreement, resolution, or indenture with the holders of bonds issued under this chapter, but not in excess of the aggregate annual payments due under the loans or other credit agreements guaranteed by the authority. No loan or other credit agreement may be guaranteed by the authority if the amount of money available in the agricultural loan guaranty fund would be less than the miniumum reserve requirement.

(4) In order to assure the maintenance of the agricultural loan guaranty fund, the authority shall, on or before September 1 in each year preceding the convening of the legislature, deliver to the governor a certificate stating the sum, if any, required to restore the agricultural loan guaranty fund to the minimum reserve requirement. The governor shall include in the executive budget submitted to the legislature the sum required to restore the agricultural loan guaranty fund to the minimum reserve requirement. Nothing contained herein shall obligate the legislature to make an appropriation for this purpose.

(5) All amounts remitted to the authority under this section constitute loans to the authority and must be repaid to the state treasury without interest from available operating revenues of the authority in excess of amounts required for the guarantee of loans.

**History:** **En. Sec. 3, Ch. 448, L. 1985.**

## Part 3

## Bonds

**80-12-301. Issuance of bonds — credit of the state not pledged.** (1) The authority may issue bonds of the state of Montana in a principal amount it determines necessary to provide sufficient funds for achieving any of the purposes of the Montana agricultural loan authority program, including the payment of interest on bonds, establishment of reserves to secure the bonds, and all other expenditures of the authority incident to the program.

(2) Each issue of its bonds is an obligation of the authority, payable out of any revenues, assets, or money generated by the Montana agricultural loan authority program. The authority shall manage its loans so that the bonds are repaid by the revenue generated by the program. The full faith and credit and taxing powers of the state are not pledged for the payment of bonds issued by the authority under the provisions of this chapter.

(3) The bonds must be authorized by resolution of the authority, bear a date, and mature at times the authority determines. A bond may not mature more than 60 years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination thereof. The bonds of the authority may be sold at public or private sale, at prices determined by the authority.

(4) The resolution shall specify:

(a) the rate of interest of the bonds;

(b) the denomination of the bonds;

(c) whether the bonds shall be in coupon or registered form and registration privileges, if any;

(d) the manner and place of execution;

(e) the manner, place, and medium of payment; and

(f) the terms of redemption.

(5) The total amount of bonds outstanding at any one time may not exceed $40 million.

**History:** **En. Sec. 10, Ch. 580, L. 1983; amd. Sec. 3, Ch. 542, L. 1985.**

**80-12-302. Provisions of bond resolutions or trust indentures.** A resolution or trust indenture authorizing any bonds or any issue thereof may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

(1) pledging all or any part of the revenues or the property of the authority to secure the payment of the bonds or any issue thereof, subject to existing agreements with bondholders;

(2) pledging all or any part of the assets of the authority, including mortgages and obligations securing them, to secure the payment of the bonds;

(3) specifying the use and disposition of the gross income from mortgages owned by the authority and payment of principal of mortgages owned by the authority;

(4) the setting aside of reserves or sinking funds in the hands of trustees, paying agents, or other depositories and the regulation and disposition of the reserves;

(5) limiting the purpose to which the proceeds of the sale of the bonds may be applied and the pledge of the proceeds to secure the payment of the bonds or of any issue thereof;

(6) limiting the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds;

(7) specifying the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) limiting the amount of money to be expended by the authority for its operating expenses;

(9) vesting in a trustee, as the authority determines, property, rights, powers, and duties in trust;

(10) defining the acts or failures to act that will constitute a default in the obligations and duties of the authority to the bondholders and providing for

the rights and remedies, consistent with the laws of the state and the provisions of this chapter, of the bondholders if a default occurs, including as a matter of right the appointment of a receiver; and

(11) specifying any other matters that in any way affect the security or protection of the bondholders.

**History:** En. Sec. 11, Ch. 580, L. 1983.

**80-12-303. Trust indenture.** In the discretion of the authority, the bonds may be secured by a trust indenture between the authority and a corporate trustee, which may be a trust company or bank having the power of a trust company within or without the state.

**History:** En. Sec. 15, Ch. 580, L. 1983.

**80-12-304. Negotiability of bonds.** Bonds issued by the authority are negotiable instruments under the Uniform Commercial Code, subject only to the provisions for registration of bonds.

**History:** En. Sec. 16, Ch. 580, L. 1983.

**80-12-305. Tax exemption of bonds.** Bonds issued by the authority under this chapter and their transfer and income, including any profits made on their sale, are exempt from taxation by the state or any political subdivision or other instrumentality of the state, except for inheritance, estate, and gift taxes. The authority is not required to pay recording or transfer fees or taxes on instruments recorded by it.

**History:** En. Sec. 22, Ch. 580, L. 1983.

**80-12-306. Purchase of bonds — cancellation.** The authority, subject to existing agreements with bondholders, may from any funds available for that purpose purchase bonds of the authority, which shall thereupon be canceled, at a price not exceeding:

(1) the current redemption price plus accrued interest to the next interest payment thereon, if the bonds are then redeemable; or

(2) the redemption price applicable on the first date after purchase upon which the bonds become subject to redemption plus accrued interest to that date, if the bonds are not then redeemable.

**History:** En. Sec. 14, Ch. 580, L. 1983.

**80-12-307. Pledge against impairment of contracts.** In accordance with the constitutions of the United States and the state of Montana, the state pledges that it will in no way impair the obligations of any agreement between the authority and the holders of notes and bonds issued by the authority.

**History:** En. Sec. 24, Ch. 580, L. 1983.

**80-12-308. Validity of pledge.** A pledge made by the authority is valid and binding from the time the pledge is made. The revenues or property pledged and thereafter received by the authority is immediately subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. The resolution, trust indenture, or any other instrument by which a pledge is created need not be recorded.

**History:** **En. Sec. 12, Ch. 580, L. 1983.**

**80-12-309. Personal liability.** The authority members and department members are not personally liable for any debt incurred by the authority.

**History:** **En. Sec. 13, Ch. 580, L. 1983.**

**80-12-310. Continuing validity of authority members' signatures.** If any authority member whose signature appears on bonds or coupons ceases to be a member before the delivery of the bonds, his signature continues to be valid and sufficient for all purposes.

**History:** **En. Sec. 17, Ch. 580, L. 1983.**

**80-12-311. Accounts of the authority.** There is an agricultural loan authority enterprise fund in the enterprise fund type provided for in 17-2-102. All funds from the proceeds of bonds issued under this chapter, fees and other money received by the authority, money appropriated by the legislature for the use of the authority in administering this chapter, and money made available from any other source for the use of the authority must be deposited in the agricultural loan authority enterprise fund except as otherwise provided by law. All funds deposited in the agricultural loan authority enterprise fund are continuously appropriated to and may be expended by the authority for the purposes authorized in this chapter.

**History:** **En. Sec. 18, Ch. 580, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**80-12-312. Reserve funds and appropriations.** (1) The authority shall pay into one or more capital reserve accounts any:

(a) money appropriated and made available by the state for the purpose of the fund;

(b) proceeds of sale of bonds to the extent provided in the resolutions of the authority authorizing their issuance or in any trust indenture securing their repayment; and

(c) other money that may be available to the authority for the purpose of such a fund from any other source.

(2) All amounts held in a capital reserve account must be used solely for the payment of principal, interest, and a redemption premium with respect to bonds secured in whole or in part by the account. Funds in an account may not be withdrawn at any time in an amount that reduces the amount of the account to less than the minimum capital reserve requirement established for the account except for the purpose, with respect to bonds secured in whole or in part by the account, of making payment, when due, of principal, interest, or redemption premiums for the payment of which other money pledged is not available.

**History:** **En. Sec. 19, Ch. 580, L. 1983.**

**80-12-313. Refunding obligations — sale.** Refunding obligations issued as provided in 90-6-121 may be sold or exchanged for outstanding obligations issued under this chapter. The proceeds may be applied to the purchase, redemption, or payment of outstanding obligations. Pending the application of the proceeds to the payment of outstanding obligations, the proceeds may be invested as provided in Title 17, chapter 6, if permitted in the resolution authorizing the issuance of the refunding obligations or in the trust agreement securing them.

**History:** En. Sec. 20, Ch. 580, L. 1983.

**80-12-314. Refunding obligations — issuance.** The authority may provide for the issuance of refunding obligations to refund any obligations then outstanding that have been issued under this chapter, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption of the obligations. The issuance of obligations, the maturities and other details, the rights of the holders, and the rights, duties, and obligations of the authority are governed by the appropriate provisions of this chapter that relate to the issuance of obligations.

**History:** En. Sec. 21, Ch. 580, L. 1983.

## Part 4
## Oversight

**80-12-401. Annual audit.** The authority's books and records must be audited at least once each year by the legislative auditor or by a contract auditor as directed by the legislative audit committee. The cost of the audit shall be paid by the authority.

**History:** En. Sec. 25, Ch. 580, L. 1983.

**80-12-402. Report.** The department shall transmit to the governor and to each member of the legislature at least 30 days before each regular legislative session a report:

(1) detailing the operations of the agricultural loan authority program since the adjournment of the last legislature; and

(2) containing a financial statement showing the program's assets and liabilities.

**History:** En. Sec. 26, Ch. 580, L. 1983.

**80-12-403. Legislative review required.** The agricultural loan authority program must be reviewed by the legislature at the third regular legislative session following the first sale of bonds under the provisions of 80-12-301 to determine whether the program should continue. However, this section does not, in itself, terminate the program, and any existing commitments incurred by the authority are not affected by this review.

**History:** En. Sec. 28, Ch. 580, L. 1983.

# CHAPTER 13
# AGRICULTURAL ASSISTANCE AND COUNSELING PROGRAM

### Part 1 — General Provisions

80-13-101. Purpose.
80-13-102. Definitions.
80-13-103. Establishment of program.

80-13-104. Powers and duties of department.
80-13-105 through 80-13-110 reserved.
80-13-111. Gifts and grants to support program.

**Part 2 — Mediation of Farmer's Indebtedness**

80-13-201. Voluntary mediation — filing procedure — dismissal of requests.
80-13-202. Duties and requirements of mediators.
80-13-203. Mediation agreement.
80-13-204. Unsuccessful mediation.
80-13-205 through 80-13-210 reserved.
80-13-211. Confidentiality of records.
80-13-212. Closed meetings.
80-13-213. Waiver of right to bring civil action against state.
80-13-214. Fees and expenses of mediation.

**Chapter Cross-References**

Disposal of foreclosed agricultural land, Title 25, ch. 13, part 9.

## Part 1

## General Provisions

**80-13-101.** *(Temporary)* **Purpose.** It is the declared purpose of this chapter to establish an emergency program to directly assist individual farmers who are financially distressed by providing them assistance and counseling to manage farm credit problems, to avoid or mitigate forced liquidation or farm foreclosure, and to cope with the financial stress resulting from the adverse conditions of agriculture in this state. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History:** **En. Sec. 1, Ch. 9, Sp. L. March 1986; amd. Sec. 1, Ch. 605, L. 1987.**

**80-13-102.** *(Temporary)* **Definitions.** As used in this chapter, unless the context indicates otherwise, the following definitions apply:

(1) "Agricultural production" means the production of livestock, poultry, field crops, fruit, or other animal and vegetable matter for food or fiber.

(2) "Agricultural property" means:

(a) real property that is principally used for agricultural production; and

(b) personal property that is part of an agricultural production operation or used as security to finance such an operation. Personal property includes equipment, crops, livestock, and the proceeds of any security.

(3) "Department" means the department of agriculture provided for in 2-15-3001.

(4) "Farmer" means a person who owns or operates a farm or ranch primarily for the purpose of agricultural production.

(5) "Mediator" means a person authorized under 80-13-202 to serve as a negotiator between a farmer and a creditor.

(6) "Peer counselor" means a person who:

(a) is or has been involved in production agriculture;

(b) has been trained through the department and others in counseling; and

(c) works to aid financially distressed agricultural producers through this program.

(7) "Program" means the agricultural assistance program provided for in 80-13-103 and 80-13-201.

(8) "Secured creditor" means:

(a) the holder of a mortgage on agricultural property;

(b) a vendor of a contract for deed on agricultural property;

(c) a person with a statutory lien or a perfected security interest in agricultural property; or

(d) a judgment creditor with a judgment against a debtor engaged in agricultural production.

(9) "Unsecured creditor" means a person who extends credit without a perfected security interest to a farmer for the purchase of goods or services used in agricultural production. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 2, Ch. 9, Sp. L. March 1986; amd. Sec. 1, Ch. 481, L. 1987; amd. Sec. 2, Ch. 605, L. 1987; amd. Sec. 1, Ch. 269, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted definitions of agricultural property, mediator, peer counselor, program, secured creditor, and unsecured creditor. Amendment effective July 1, 1989.

**80-13-103.** *(Temporary)* **Establishment of program.** (1) The department shall establish an agricultural assistance program to aid financially distressed farmers in this state.

(2) Under the program, the department shall make available to farmers the following types of assistance:

(a) farm financial consulting;

(b) voluntary debt mediation as provided for in part 2 of this chapter;

(c) support counseling; and

(d) information and referral services. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 3, Ch. 9, Sp. L. March 1986; amd. Sec. 3, Ch. 605, L. 1987; amd. Sec. 2, Ch. 269, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle of (1) substituted "an agricultural assistance program" for "a program"; inserted (2)(b) including voluntary debt mediation as type of assistance; and made minor changes in form. Amendment effective July 1, 1989.

**80-13-104.** *(Temporary)* **Powers and duties of department.** (1) For the purpose of administering the program, the department shall:

(a) utilize the services of:

(i) a network of trained peer counselors who can directly assist financially distressed farmers;

(ii) the cooperative extension service and the college of agriculture at Montana state university;

(iii) state or federal agencies;

(iv) community service organizations;

(v) private business;

(vi) professional organizations;

(vii) regional mental health corporations;

(viii) volunteer organizations; and

(ix) any other person or entity capable of providing assistance to farmers;

(b) contract for services with qualified personnel, including peer counselors, farm financial consultants, and mediators, to provide the assistance required under 80-13-103;

(c) hire a coordinator and necessary staff to implement and manage the program;

(d) provide training for interested and qualified persons, including peer counselors, farm financial consultants, and mediators, to assist farmers needing help with farm financial management problems; and

(e) continue to maintain a toll-free telephone line to receive requests for assistance, counseling, and referral of services.

(2) The department may continue an advisory board to assist the department in determining policy and in developing plans for administration of the program. Members of the advisory board shall serve without compensation.

(3) The department may adopt rules necessary for the administration of the program.

(4) The department may charge reasonable fees to defray the costs of providing financial consulting services under this part. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 4, Ch. 9, Sp. L. March 1986; amd. Sec. 4, Ch. 605, L. 1987; (4)En. Sec. 6, Ch. 605, L. 1987; amd. Sec. 3, Ch. 269, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(b) included mediators; in (1)(d) included farm financial consultants and mediators; at beginning of (1)(e) substituted "continue to maintain" for "establish"; near beginning of (2) substituted "may continue" for "may establish"; and made minor change in phraseology. Amendment effective July 1, 1989.

**80-13-105 through 80-13-110 reserved.**

**80-13-111.** *(Temporary)* **Gifts and grants to support program.** (1) The department may accept monetary or in-kind contributions, gifts, and grants provided to support the program.

(2) The department may receive grants on a matching formula basis to be used in accordance with the terms and conditions for receipt of such grants. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 5, Ch. 9, Sp. L. March 1986; amd. Sec. 5, Ch. 605, L. 1987.**

## Part 2

## Mediation of Farmer's Indebtedness

**80-13-201.** *(Temporary)* **Voluntary mediation — filing procedure — dismissal of requests.** (1) A farmer who is in danger of foreclosure on agricultural property or a secured creditor may request mediation of the farmer's indebtedness by filing a request with the department on a form prescribed by the department.

(2) In filing or responding to a mediation request, the farmer shall provide:

(a) the name and address of each secured and unsecured creditor;

(b) the amount owed to each creditor;

(c) the amount of the periodic installment payments due each creditor;

(d) any financial statements and pro forma cash flow statements, including those related to any nonfarm activities; and

(e) any additional information the department may require.

(3) In filing or responding to a mediation request, a secured creditor shall provide:

(a) information pertaining to the basis of the credit determination;

(b) financial statements and pro forma cash flow statements on the respective farmer;

(c) statements regarding the status of the farmer's loan performance;

(d) the name and title of the representative of the creditor authorized to enter into a binding mediation agreement; and

(e) any additional information the department may require.

(4) A farmer or secured creditor who agrees to participate in mediation shall authorize the release to the department of any information held by a creditor.

(5) Upon receipt of a properly completed mediation request form, the department shall direct a mediator to meet with the farmer and secured creditor to assist in mediation. An unsecured creditor may participate in mediation between a farmer and secured creditor if each party agrees or if the mediator determines that an unsecured creditor is a necessary party to the mediation.

(6) Subject to the provisions of subsection (7), the department shall immediately terminate an attempt at mediation and dismiss the mediation request if at any time it finds that:

(a) a secured creditor does not agree to participate in mediation requested by the farmer; or

(b) the farmer does not agree to participate in any mediation requested by a secured creditor.

(7) If the mediation request involves more than one secured creditor and any one creditor does not agree to participate in mediation, the department shall dismiss the mediation request only insofar as it relates to that creditor. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 6, Ch. 9, Sp. L. March 1986.**

**80-13-202.** *(Temporary)* **Duties and requirements of mediators.** (1) A mediator must be qualified to provide the services required under this chapter. A mediator must be an impartial person knowledgeable in agricultural and financial matters.

(2) In carrying out his properly authorized duties, the mediator shall:

(a) listen to the farmer and any creditor desiring to be heard;

(b) attempt to negotiate an agreement that:

(i) extends the term of credit;

(ii) reduces the dollar amount of payments under credit; or

(iii) permits the farmer to continue in agricultural production and provides reasonable security to the creditor; and

(c) advise, counsel, and assist the farmer and creditor in attempting to arrive at a satisfactory agreement.

(3) A mediator may attempt to:

(a) arrange mutually agreed upon forbearance from litigation, rescheduled or renegotiated debt, voluntary sale, or other liquidation of any agricultural property; and

(b) obtain assistance from any public or private agency. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 7, Ch. 9, Sp. L. March 1986.**

**80-13-203.** *(Temporary)* **Mediation agreement.** (1) If an agreement is reached between the farmer and a creditor, the mediator shall draft a written mediation agreement to be signed by the farmer and the creditor.

(2) A farmer and any creditor who are parties to a mediation agreement:

(a) are bound by the terms of the agreement;

(b) may enforce the mediation agreement as a legal contract; and

(c) may use the mediation agreement as a defense against an action contrary to the mediation agreement. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 8, Ch. 9, Sp. L. March 1986.**

**80-13-204.** *(Temporary)* **Unsuccessful mediation.** If a mediation agreement cannot be reached, the mediator shall recommend to the department that the mediation be concluded and the mediation request be dismissed. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 9, Ch. 9, Sp. L. March 1986.**

**80-13-205 through 80-13-210 reserved.**

**80-13-211.** *(Temporary)* **Confidentiality of records.** (1) All materials, data, and information received by the department with respect to any request filed under 80-13-201 are confidential and are not subject to examination or disclosure as public information.

(2) No official, employee, or agent of the department may knowingly disclose any materials, data, or information concerning a mediation request without the consent of the farmer and the creditor. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 10, Ch. 9, Sp. L. March 1986.**

**80-13-212.** *(Temporary)* **Closed meetings.** Meetings between a farmer and any creditor conducted by a mediator are not open to public participation and are not subject to the provisions of the open meeting law contained in 2-3-203. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 11, Ch. 9, Sp. L. March 1986.**

**80-13-213.** *(Temporary)* **Waiver of right to bring civil action against state.** All parties who voluntarily enter into the mediation process as described in this chapter shall waive their right to take civil action against the state of Montana and its designated mediator and thereby release the state and its designated mediator from civil liability for actions occurring within the scope of the mediation services. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 12, Ch. 9, Sp. L. March 1986.**

**80-13-214.** *(Temporary)* **Fees and expenses of mediation.** The department may assess and collect fees to defray the costs of providing mediation services under this chapter. *(Repealed effective July 1, 1991—sec. 5, Ch. 269, L. 1989.)*

**History: En. Sec. 2, Ch. 481, L. 1987.**

## CHAPTER 14

## PRODUCTION LOAN LINKED DEPOSIT PROGRAM

(Terminated. Sec. 5, Ch. 57, L. 1987)

**Chapter Compiler's Comments**

*Histories of Terminated Sections:*

**80-14-101.** En. Sec. 1, Ch. 5, Sp. L. March 1986.

**80-14-102.** En. Sec. 2, Ch. 5, Sp. L. March 1986; amd. Sec. 1, Ch. 57, L. 1987; amd. Sec. 14, Ch. 581, L. 1987.

**80-14-103.** En. Sec. 3, Ch. 5, Sp. L. March 1986.

**80-14-201.** En. Sec. 4, Ch. 5, Sp. L. March 1986.

**80-14-202.** En. Sec. 5, Ch. 5, Sp. L. March 1986; amd. Sec. 2, Ch. 57, L. 1987.

**80-14-203.** En. Sec. 6, Ch. 5, Sp. L. March 1986; amd. Sec. 3, Ch. 57, L. 1987.

**80-14-204.** En. Sec. 7, Ch. 5, Sp. L. March 1986.

**80-14-205.** En. Sec. 8, Ch. 5, Sp. L. March 1986.

## CHAPTER 15

## MONTANA AGRICULTURAL CHEMICAL GROUND WATER PROTECTION ACT

### Part 1 — General Provisions

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### Part 2 — Control

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80-15-203. Evaluation and use of monitoring results.
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80-15-211. General agricultural chemical ground water management plan.
80-15-212. Specific agricultural chemical ground water management plans.
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80-15-214. Contents of specific agricultural chemical ground water management plan.
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80-15-302. Special funding.

### Part 4 — Enforcement

80-15-401. Authority to investigate and inspect.
80-15-402. Prohibited activity.
80-15-403. Compliance orders.
80-15-404. Injunctions authorized.
80-15-405. Emergencies.
80-15-406 through 80-15-410 reserved.
80-15-411. Violators subject to penalties.
80-15-412. Administrative civil penalty.
80-15-413. Judicial civil penalty.
80-15-414. Criminal penalties.

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**Chapter Cross-References**

Environmental policy and protection, Title 75, ch. 1.

Water quality, Title 75, ch. 5.

Pesticides, Title 80, ch. 8.

Commercial fertilizers, Title 80, ch. 10.

# Part 1

# General Provisions

**Part Compiler's Comments**

*Effective Date:* Section 32, Ch. 668, L. 1989, provided that this part is effective January 1, 1990.

**80-15-101.** *(Effective January 1, 1990)* **Short title.** This chapter may be cited as the "Montana Agricultural Chemical Ground Water Protection Act".

**History: En. Sec. 1, Ch. 668, L. 1989.**

**80-15-102.** *(Effective January 1, 1990)* **Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Agricultural chemical" means any of the following:

(a) a pesticide as defined in 80-8-102;

(b) an isomer, degradation, or metabolic product of a pesticide; or

(c) a commercial fertilizer as defined in 80-10-101.

(2) "Aquifer" means a water-bearing, subsurface formation capable of yielding sufficient quantities of water to a well for a beneficial use.

(3) "Best management plans" and "best management practices" mean activities, procedures, and practices established by the department of agriculture, in consultation with the Montana state university extension service, to prevent or remedy the introduction of agricultural chemicals into ground water to the extent technically and economically practical.

(4) "Board" means the board of health and environmental sciences provided for in 2-15-2104.

(5) "Confirmatory procedure" means a process for verifying the detection of agricultural chemicals in water, soil, and other related media.

(6) "EPA" means the United States environmental protection agency.

(7) "Ground water" means any water of the state occupying the voids within a geologic formation and within the zone of saturation.

(8) "Interim numerical standard" means a health-based number that expresses the concentration of an agricultural chemical allowed in ground water and that is adopted by a rule of the board pursuant to 80-15-201(3) or (4).

(9) "Margin of safety" means numerical margins that are applied to the no observable effect level in an agricultural chemical toxicology study and that are used by the EPA to extrapolate data obtained from studies of animals to humans, including sensitive individuals.

(10) "No observable effect level" means the highest dose level of an agricultural chemical to which a laboratory animal is exposed, per unit of body weight, at which no effect is observed, as established by EPA's pesticide registration process.

(11) "Nonpoint source" means a diffuse source of agricultural chemicals resulting from activities of man over a relatively large area, the effects of which must normally be addressed or controlled by a management or conservation practice.

(12) "Nonpromulgated federal standard" means a health advisory or a suggested no adverse response level that is published but not promulgated by regulation by EPA and that is a suggested measure of the health risk represented by the concentration of an agricultural chemical in water.

(13) "Numerical risk assessment" means a scientific procedure used to measure the statistical probability of human health risk associated with exposure to an agricultural chemical.

(14) "Oncogenic potential" means the potential of an agricultural chemical to cause tumors in laboratory animals and the extrapolation of that potential to humans through use of statistical models and other evidence.

(15) "Person" means any individual, group, firm, cooperative, corporation, association, partnership, political subdivision, state or federal government agency, or other organization or entity.

(16) "Point of standards application" means the specific location in an aquifer where ground water quality and quantity are sampled, measured, evaluated, or otherwise used by either the department or the department of health and environmental sciences to implement the provisions of this chapter.

(17) "Point source" means a point source as defined in 75-5-103, including but not limited to chemical mixing, loading, and storage sites and sites of agricultural chemical spills.

(18) "Promulgated federal standard" means an agricultural chemical maximum contaminant level as established under the federal Safe Drinking Water Act, a national primary drinking water standard, or an interim drinking water regulation or other EPA regulation based on federal law.

(19) "Registrant" means a person as defined in 80-8-102 and 80-10-101.

(20) "Standard" means the numerical value expressing the concentration of an agricultural chemical in ground water that, when exceeded, presents a potential human health risk over a lifetime of consumption and that is adopted by a rule of the board as required by 80-15-201.

(21) "Use" means any act of handling or release of an agricultural chemical or exposure of man or the environment to an agricultural chemical, including but not limited to application, mixing, loading, storage, disposal, or transportation.

**History: En. Sec. 2, Ch. 668, L. 1989.**

**80-15-103.** *(Effective January 1, 1990)* **Policy.** It is the public policy of this state to:

(1) protect ground water and the environment from impairment or degradation due to the use of agricultural chemicals;

(2) allow for the proper and correct use of agricultural chemicals;

(3) provide for the management of agricultural chemicals to prevent, minimize, and mitigate their presence in ground water; and

(4) provide for education and training of agricultural chemical applicators and the general public on ground water protection, agricultural chemical use, and the use of alternative agricultural methods.

**History: En. Sec. 3, Ch. 668, L. 1989.**

**80-15-104.** *(Effective January 1, 1990)* **Administration.** (1) The department and the department of health and environmental sciences shall administer this chapter.

(2) The department of health and environmental sciences is responsible for the establishment and enforcement of agricultural chemical ground water standards and interim numerical standards as authorized by 80-15-201, ground water monitoring as authorized by 80-15-202 and 80-15-203, providing comments to the department during the development of agricultural chemical ground water management plans, promoting research as set forth in 80-15-107, and related responsibilities set forth in Title 75, chapter 5.

(3) The department is responsible for the preparation, implementation, and enforcement of agricultural chemical ground water management plans as authorized by 80-15-211 through 80-15-218, 80-15-401 through 80-15-405, and 80-15-411 through 80-15-414, public education as authorized by 80-15-106, ground water monitoring as authorized by 80-15-202 and 80-15-203, other duties related to promoting research as set forth in 80-15-107, and related responsibilities set forth in Title 80, chapters 8 and 10.

(4) This chapter does not limit the department's responsibility to enforce agricultural chemical label directions and prohibitions.

(5) The administration of this chapter, including rulemaking and hearing functions authorized by this chapter, must be conducted in accordance with the Montana Administrative Procedure Act, Title 2, chapter 4.

**History: En. Sec. 4, Ch. 668, L. 1989.**

**80-15-105.** *(Effective January 1, 1990)* **Rulemaking.** (1) The board shall adopt rules for the administration of this chapter for which the board and the department of health and environmental sciences have responsibility. These rules must include but are not limited to:

(a) standards and interim numerical standards for agricultural chemicals in ground water as authorized by 80-15-201;

(b) procedures for ground water monitoring as authorized by 80-15-202 and 80-15-203;

(c) field and laboratory operational quality assurance, quality control, and confirmatory procedures as authorized by 80-15-107, 80-15-202, and 80-15-203, which may include, through adoption by reference, procedures that have been established or approved by EPA for quality assurance and quality control;

(d) standards for maintaining the confidentiality of data and information declared confidential by EPA and the confidentiality of chemical registrant data and information protected from disclosure by federal or state law as required by 80-15-108; and

(e) administrative civil penalties as authorized by 80-15-412.

(2) The department shall adopt rules necessary to carry out its responsibilities under this chapter. These rules must include but are not limited to:

(a) procedures for ground water monitoring as authorized by 80-15-202 and 80-15-203;

(b) the content and procedures for development of agricultural chemical ground water management plans, including the content of best management practices and best management plans, procedures for obtaining comments from the department of health and environmental sciences on the plans, and the adoption of completed plans and plan modifications as authorized by 80-15-211 through 80-15-218;

(c) standards for maintaining the confidentiality of data and information declared confidential by EPA and of chemical registrant data and information protected from disclosure by federal or state law as required by 80-15-108;

(d) field and laboratory operational quality assurance, quality control, and confirmatory procedures as authorized by 80-15-107, 80-15-202, and 80-15-203, which may include, through adoption by reference, procedures that have been established or approved by EPA for quality assurance and quality control;

(e) emergency procedures as authorized by 80-15-405;

(f) procedures for issuance of compliance orders as authorized by 80-15-403; and

(g) procedures for the assessment of administrative civil penalties as authorized by 80-15-412.

**History: En. Sec. 5, Ch. 668, L. 1989.**

**80-15-106.** *(Effective January 1, 1990)* **Educational programs.** (1) The department, in cooperation with the Montana state university extension service, shall develop and conduct appropriate educational programs to promote the policy specified in 80-15-103. The department and the Montana state university extension service may charge a fee for the educational programs, commensurate with the costs of program development and administration.

(2) All fees collected by the department pursuant to this section must be deposited in the state special revenue fund. The department may spend the funds for the purposes set forth in this section.

(3) All fees collected by the Montana state university extension service must be deposited in a special account identified for this purpose. The extension service may spend the funds for the purposes set forth in this section.

**History: En. Sec. 6, Ch. 668, L. 1989.**

**80-15-107.** *(Effective January 1, 1990)* **Research.** The department or the department of health and environmental sciences shall promote, for the purposes described in 80-15-103, cooperative ground water research programs with units of the university system and associated agricultural experiment stations, the bureau of mines and geology, and other appropriate agencies, organizations, and individuals.

**History: En. Sec. 7, Ch. 668, L. 1989.**

**80-15-108.** *(Effective January 1, 1990)* **Confidentiality.** (1) The department and the department of health and environmental sciences shall maintain the confidentiality of data declared confidential by EPA and chemical registrant data and information protected from disclosure by federal or state law.

(2) The department of health and environmental sciences shall comply with the requirements of 75-5-105 and the department shall comply with the requirements of 80-8-107 and 80-10-210, except as otherwise provided by this section.

**History: En. Sec. 8, Ch. 668, L. 1989.**

## Part 2

## Control

**Part Compiler's Comments**

*Effective Date:* Section 32, Ch. 668, L. 1989, provided that this part is effective January 1, 1990.

**80-15-201.** *(Effective January 1, 1990)* **Ground water standards.** (1) The board shall adopt standards and, as applicable, interim numerical standards for agricultural chemicals in ground water. The standards must be the same as any promulgated or nonpromulgated federal standard established by EPA, although the board may determine, pursuant to the requirements of subsection (4), that an interim numerical standard different from either a promulgated or nonpromulgated federal standard is justified. Promulgated federal standards must receive preference. Except as provided in subsections (3) and (4), if more than one nonpromulgated federal standard exists for an agricultural chemical, the board must adopt the most recently established nonpromulgated federal standard.

(2) The board is not required to adopt a standard or interim numerical standard for every agricultural chemical registered in the state. The only standards and interim numerical standards required are for those agricultural chemicals:

(a) that are addressed by promulgated and nonpromulgated federal standards;

(b) the presence of which has been verified in ground water as provided in 80-15-202; or

(c) that the department and the department of health and environmental sciences predict may appear in ground water, in accordance with the procedures and determinations specified in 80-15-202 and 80-15-203.

(3) If no promulgated federal standard has been adopted or no nonpromulgated federal standard has been published for an agricultural chemical for which the board is required to establish a standard or interim numerical standard as specified in subsections (2)(b) and (2)(c), the department of health and environmental sciences shall request EPA to establish a promulgated or nonpromulgated federal standard. If the department of health and environmental sciences determines that EPA cannot comply with the request within 15 days, the board shall adopt an interim numerical standard, provided that the board shall review the interim numerical standard whenever EPA adopts a promulgated federal standard or publishes a nonpromulgated federal standard for the agricultural chemical in question.

(4) The board may adopt an interim numerical standard that is different from either a promulgated or nonpromulgated federal standard if there is significant new and relevant technical information available that is scientifically valid. The board shall review the interim numerical standard when EPA establishes or revises the promulgated or nonpromulgated federal standard for the agricultural chemical in question.

(5) The board shall consider the following in adopting any interim numerical standard under either subsection (3) or (4):

(a) effects on a person weighing 70 kilograms and drinking 2 liters of water per day over a lifetime; and

(b) EPA's conclusions regarding the no observable effect level, including the margin of safety identified by EPA, when scientific data indicates oncogenic potential for the agricultural chemical and EPA has determined that a numerical risk assessment is not justified, is inappropriate, or does not serve as the primary toxicological basis for regulation.

(6) Nothing in this section may interfere with the board's responsibility to adopt rules and standards under Title 75, chapter 6.

**History: En. Sec. 9, Ch. 668, L. 1989.**

**80-15-202.** *(Effective January 1, 1990)* **Monitoring programs.** (1) The department or the department of health and environmental sciences shall conduct monitoring programs to determine:

(a) whether residues of agricultural chemicals are present in ground water; and

(b) the likelihood of an agricultural chemical to enter ground water, if either department determines that sufficient valid scientific data is available to reasonably predict the behavior of a particular agricultural chemical in the soil.

(2) Any person who receives a chemical analysis indicating the presence of an agricultural chemical in ground water shall notify the department of health and environmental sciences.

(3) The department and the department of health and environmental sciences shall evaluate all information relating to this section that is received from any person, based upon standard procedures, protocols, and confirmatory procedures established by rule. Information found to be insufficient based on the adopted procedures and protocols, including analytical results, may be used only for informational purposes.

**History: En. Sec. 10, Ch. 668, L. 1989.**

**80-15-203.** *(Effective January 1, 1990)* **Evaluation and use of monitoring results.** (1) When providing preliminary monitoring results or confirmed monitoring results to ground water users or the public, the departments shall also provide any applicable standard or interim numerical standard.

(2) When monitoring results reveal the presence of an agricultural chemical in ground water:

(a) the department of health and environmental sciences is the lead department for determining health risks; and

(b) the department is the lead department for determining compliance with agricultural chemical ground water management plans authorized by 80-15-211 through 80-15-218 and with agricultural chemical registration, use, and labeling requirements and conditions pursuant to Title 80, chapters 8 and 10.

(3) The department and the department of health and environmental sciences shall cooperatively evaluate the results of monitoring programs authorized by 80-15-202.

(4) Based on the results of monitoring, the department and the department of health and environmental sciences shall implement appropriate actions specified in this chapter to mitigate any existing impacts of an agricultural chemical found in ground water and to prevent future impacts of an agricultural chemical that may be found in ground water, in relation to human health, agriculture, and the environment.

(5) The department may not undertake compliance and enforcement actions authorized by this chapter and the department of health and environmental sciences may not undertake compliance and enforcement actions authorized by Title 75, chapter 5, unless there is sufficient evidence collected through:

(a) monitoring at a point of standards application that reveals that a person using an agricultural chemical or introducing or discharging the chemical into ground water has violated a provision of 80-15-402 or Title 75, chapter 5;

(b) other investigations that reveal that a person using an agricultural chemical or introducing or discharging the chemical into ground water has violated a provision of 80-15-402 or Title 75, chapter 5; or

(c) monitoring that reveals a significant probability for an agricultural chemical to enter ground water.

**History: En. Sec. 11, Ch. 668, L. 1989.**

**80-15-204 through 80-15-210 reserved.**

**80-15-211.** *(Effective January 1, 1990)* **General agricultural chemical ground water management plan.** The department shall develop and implement a general state agricultural chemical ground water management plan to achieve the policies of 80-15-103. This plan must include general program elements set forth in this chapter and best management plans and best management practices. Prior to publication of the plan, the department shall provide a 30-day period for the department of health and environmental sciences to prepare and submit comments on the plan.

**History: En. Sec. 12(1), Ch. 668, L. 1989.**

**80-15-212.** *(Effective January 1, 1990)* **Specific agricultural chemical ground water management plans.** (1) Except as provided in 80-15-216, the department shall develop and implement agricultural chemical ground water management plans specific to particular agricultural chemicals and to a defined geographical area:

(a) when the level of an agricultural chemical found in ground water is at 50% of the standard or interim numerical standard at a point of standards application and is scientifically validated;

(b) when a definite trend of increased presence of the agricultural chemical in ground water at a point of standards application is scientifically validated;

(c) when agricultural chemicals have been determined to have migrated in the ground water from the point of detection;

(d) when EPA proposes to suspend or cancel registration of an agricultural chemical, prohibits or restricts the chemical's sale or use in the state, or otherwise initiates action against a chemical because of ground water concerns and when EPA's action, restriction, or prohibition will be implemented unless the state develops an adequate management plan; or

(e) when agricultural chemicals that possess or are suspected of possessing properties that indicate potential to migrate to ground water are being applied on areas underlaid by ground water that is vulnerable to impairment.

(2) Any person using an agricultural chemical that is addressed by a specific agricultural chemical ground water management plan in the geographical region that is addressed by the plan shall comply with the plan. The department may specifically identify and designate persons who are under the plan and may inform any person about the plan.

(3) The department shall prioritize preparation of specific agricultural chemical ground water management plans in consideration of the specific circumstances of each area and within available resources.

**History:** **En. Sec. 12(2) thru (4), Ch. 668, L. 1989.**

**80-15-213.** *(Effective January 1, 1990)* **Beneficial use to be considered in developing management plans — water classification.** (1) In developing general and specific agricultural chemical ground water management plans, the department shall consider the current and potential beneficial use of the ground water included in or affected by the plans. If the ground water has not been classified, the department shall consider it to be included in the classification representing the highest quality of ground water until such time as the ground water is classified by the department of health and environmental sciences, and the department may proceed to develop an agricultural chemical ground water management plan as required by 80-15-212(1).

(2) The department may request the department of health and environmental sciences to classify certain ground water and may collect the data and information required by the department of health and environmental sciences to classify the ground water. If adequate technical data and financial resources are available as determined by the department of health and environmental sciences, the department of health and environmental sciences shall classify ground water at locations as requested by the department.

**History:** **En. Sec. 12(5), (6), Ch. 668, L. 1989.**

**80-15-214.** *(Effective January 1, 1990)* **Contents of specific agricultural chemical ground water management plan.** (1) A specific agricultural chemical ground water management plan must include:

(a) requirements to prevent ground water impairment that are based on ground water use, value, and vulnerability and that address all applicable aspects of agricultural chemical use; and

(b) requirements to prevent or minimize further presence of the agricultural chemical in the ground water and to provide protection for the present and future beneficial use of the ground water.

(2) A specific agricultural chemical ground water management plan may include but is not limited to the following elements:

(a) identification of geographical areas where an agricultural chemical may be used;

(b) ground water, soil, meteorological, and geological characteristics;

(c) best management plans and best management practices;

(d) identification of high-priority ground water;

(e) certification, licensing, training, and education requirements for persons using agricultural chemicals;

(f) identification of setback areas around water wells where certain activities may be restricted;

(g) agricultural chemical application rates and timing and related use criteria;

(h) alternative pest management techniques, including integrated pest management;

(i) other requirements for pesticides, as set forth in Title 80, chapter 8, and related rules, and for fertilizers, as set forth in Title 80, chapter 10, and related rules;

(j) EPA requirements; and

(k) alternative soil fertility practices.

**History: En. Sec. 12(7), (8), Ch. 668, L. 1989.**

**80-15-215.** *(Effective January 1, 1990)* **Benefits of appropriate agricultural chemical use to be considered.** (1) When developing and implementing a specific agricultural chemical ground water management plan, the department shall consider the benefits of appropriate use of the agricultural chemical and shall consult with the Montana state university extension service.

(2) Within available resources, the department shall contact users of an agricultural chemical and user groups that will be subject to a general or specific agricultural chemical ground water management plan to request their recommendations concerning the development of the plan.

**History: En. Sec. 12(9), (10), Ch. 668, L. 1989.**

**80-15-216.** *(Effective January 1, 1990)* **Commercial fertilizer ground water management plan.** The department may develop and implement a commercial fertilizer ground water management plan if the department and the department of health and environmental sciences determine that residues from commercial fertilizer are present in the ground water or when EPA implements a program to protect ground water from fertilizers.

**History: En. Sec. 12(11), Ch. 668, L. 1989.**

**80-15-217.** *(Effective January 1, 1990)* **Management plans — rulemaking — review.** (1) The department shall adopt specific agricultural chemical ground water management plans through rulemaking, provided that the department may implement emergency plans as set forth in 80-8-105(4) or as authorized by the Montana Administrative Procedure Act. Prior to rulemaking, the department shall provide to the department of health and environmental sciences a copy of each proposed specific agricultural chemical ground water management plan. A 30-day period must be provided for the department of health and environmental sciences to prepare comments on the plan.

(2) The department shall review agricultural chemical ground water management plans periodically to determine if the requirements contained in the plans need to be modified based on new scientific data and information. Plan modifications must be accomplished by rulemaking.

**History: En. Sec. 12(12), (13), Ch. 668, L. 1989.**

**80-15-218.** *(Effective January 1, 1990)* **Notice to buyer.** A person who sells agricultural land that is subject to the provisions of a specific agricultural chemical ground water management plan shall provide the buyer with written notice about his obligations under the plan and shall forward a copy of the notice to the department. The department is not responsible for enforcement of this section.

**History: En. Sec. 12(14), Ch. 668, L. 1989.**

**80-15-219.** *(Effective January 1, 1990)* **Department of health and environmental sciences to amend rules.** The department of health and environmental sciences shall amend Rules 16.20.603, 16.20.1003, 16.20.1011, and 16.20.1012, Administrative Rules of Montana, to define a specific agricultural chemical ground water management plan prepared pursuant to 80-15-211 through 80-15-218 as reasonable land, soil, and water conservation practices for point and nonpoint source agricultural operations involving the use of agricultural chemicals and to exclude those agricultural operations from Montana ground water pollution control system permit requirements.

N.D.

**History: En. Sec. 13, Ch. 668, L. 1989.**

## Part 3

## Funding

**Part Compiler's Comments**

*Effective Date:* Section 32, Ch. 668, L. 1989, provided that this part is effective January 1, 1990.

**80-15-301.** *(Effective January 1, 1990)* **Agricultural chemical ground water protection accounts — acceptance and expenditure of gifts, grants, and funds.** (1) There is a department of agriculture agricultural chemical ground water protection special revenue account and a department of health and environmental sciences agricultural chemical ground water protection special revenue account within the state special revenue fund established by 17-2-102.

(2) Both accounts named in subsection (1) may receive funds from any source as gifts, grants, cost-share funds, or other funds designated for agricultural chemical ground water protection purposes.

(3) The department and the department of health and environmental sciences may individually or jointly spend funds received by their respective accounts for the purposes authorized by this chapter.

**History:** **En. Sec. 14, Ch. 668, L. 1989.**

**80-15-302.** *(Effective January 1, 1990)* **Special funding.** (1) A fee of $15 is assessed for the registration of pesticides in addition to the fee imposed by 80-8-201(4).

(2) A fee of $10 is assessed for the registration of fertilizers in addition to the fee imposed by 80-10-201(1). The additional fee must be used for the ground water protection responsibilities of the department relating to fertilizers. Revenues collected from this fee must be credited to the commercial fertilizer account within the state special revenue fund for the administration of this chapter.

**History:** **En. Sec. 15, Ch. 668, L. 1989.**

## Part 4

## Enforcement

**Part Compiler's Comments**

*Effective Date:* Section 32, Ch. 668, L. 1989, provided that this part is effective January 1, 1990.

**80-15-401.** *(Effective January 1, 1990)* **Authority to investigate and inspect.** Authorized representatives of the department, consistent with the responsibilities set forth in this chapter and upon presentation of department-issued credentials, may at reasonable times or under emergency conditions enter upon any public or private property to:

(1) investigate conditions relating to compliance with agricultural chemical labels, agricultural chemical ground water management plans, monitoring requirements, or ground water protection requirements and to investigate violations of plans or compliance orders;

(2) gain access to and copy any records required by the department in the administration of this chapter;

(3) establish and inspect monitoring equipment; and

(4) sample ground water, including drinking water supply sources such as wells and similar structures.

**History:** **En. Sec. 16, Ch. 668, L. 1989.**

**80-15-402.** *(Effective January 1, 1990)* **Prohibited activity.** It is unlawful for a person to:

(1) violate any provision of a specific agricultural chemical ground water management plan;

(2) violate any lawful order issued pursuant to this chapter; or

(3) violate any provision of this chapter.

**History:** **En. Sec. 17, Ch. 668, L. 1989.**

**80-15-403.** *(Effective January 1, 1990)* **Compliance orders.** (1) In furtherance of 80-15-402, the department may issue a compliance order to any person violating a standard, an interim numerical standard, or any other requirement established pursuant to this chapter. The department shall coordinate its proposed actions pursuant to this section with proposed actions of the department of health and environmental sciences pursuant to 75-5-613, if any. Issuance of a compliance order under this chapter precludes the department from taking other enforcement actions for the same violation under Title 80, chapter 8 or 10.

(2) The department may issue a compliance order to any person, including the person's employees, agents, and subcontractors, whether or not the person is subject to a specific management plan, to require the cleanup of any agricultural chemical that the person has accidentally or purposely dumped, spilled, or misused or unlawfully used that has a significant probability of entering ground water.

(3) When issuing a compliance order, the department may require a person who has violated a provision of 80-15-402 to conduct monitoring to assist in determining the presence or level of concentration of an agricultural chemical in ground water and the effectiveness of cleanup efforts. The department shall specify criteria in the compliance order for determining the duration of monitoring.

(4) A compliance order must specify the requirement violated and must set a time for compliance. In establishing a time for compliance, the department shall take into account the seriousness of the violation and any good-faith efforts that the person has made to comply with the requirement that has been violated. A compliance order issued under this section must be served either personally by a person qualified to perform service under the Montana Rules of Civil Procedure or by certified mail.

**History: En. Sec. 18, Ch. 668, L. 1989.**

**80-15-404.** *(Effective January 1, 1990)* **Injunctions authorized.** The department may commence a civil action seeking appropriate relief, including a permanent or temporary injunction pursuant to 80-8-306 or 80-10-303, as applicable, for a violation that is subject to a compliance order under 80-15-403.

**History: En. Sec. 19, Ch. 668, L. 1989.**

**80-15-405.** *(Effective January 1, 1990)* **Emergencies.** Notwithstanding any other provisions of this chapter, if the department finds that an emergency exists that requires immediate action to protect ground water from agricultural chemicals or to prevent use of ground water impaired or likely to be impaired by agricultural chemicals, the department may, without notice or hearing, issue necessary orders or adopt rules to protect public health, welfare, and safety. The duration of an emergency order or rule is limited to the emergency provisions of the Montana Administrative Procedure Act as specified in 2-4-303.

**History: En. Sec. 20, Ch. 668, L. 1989.**

**80-15-406 through 80-15-410 reserved.**

**80-15-411.** *(Effective January 1, 1990)* **Violators subject to penalties.** (1) A person found to be in violation of this chapter or a rule established pursuant to this chapter is subject to the penalty provisions of 80-15-412 through 80-15-414.

(2) For the purpose of this section, the term "person" means, in addition to the definition in 80-15-102, any responsible corporate officer.

(3) Nothing in this chapter may be construed as requiring the department or an authorized agent of the department to report minor violations of this chapter for prosecution when the department or a duly authorized agent believes that the public interest will be best served by other remedial action, by a suitable notice of warning in writing, or by a lawful written order.

(4) Action under 80-15-412 through 80-15-414 does not bar the department from enforcement of this chapter or of rules or orders issued under this chapter by injunction or other appropriate remedy.

(5) The department and the department of health and environmental sciences shall coordinate actions when a violator is subject to the penalties authorized by 80-15-412 through 80-15-414 and penalties authorized by Title 75, chapter 5, for the same violation.

**History:** **En. Sec. 21, Ch. 668, L. 1989.**

**80-15-412.** *(Effective January 1, 1990)* **Administrative civil penalty.** (1) A person who commits a violation of this chapter may be assessed an administrative civil penalty by either the department or the department of health and environmental sciences, consistent with their respective responsibilities, of not more than $1,000 for each offense. Farm applicators possessing a pesticide permit or using a fertilizer may not be assessed an administrative civil penalty of more than $500 for the first offense. Assessment of a civil penalty may be made in conjunction with any other warning, order, or administrative action authorized by this chapter or Title 75, chapter 5, that is issued or undertaken by either the department or the department of health and environmental sciences.

(2) No administrative civil penalty may be assessed unless the person charged is given notice and opportunity for a hearing pursuant to Title 2, chapter 4, part 6, of the Montana Administrative Procedure Act.

(3) In determining an appropriate administrative civil penalty, the responsible department shall consider the effect on the person's ability to continue in business, the gravity of the violation that occurred, the degree of care exercised by the offender, and whether significant harm resulted to public health, agricultural crops, livestock, or the environment.

(4) If the responsible department is unable to collect the administrative civil penalty or if a person fails to pay all or a set portion of the administrative civil penalty as determined by the responsible department, the department may seek to recover the amount in the appropriate district court.

(5) A person against whom the department or the department of health and environmental sciences has assessed an administrative civil penalty may, within 30 days of the final agency action making the assessment, appeal the assessment to the district court of the county in which the violation is alleged to have occurred. A jury trial must be granted when demanded under Rule 38 of the Montana Rules of Civil Procedure.

**History:** **En. Sec. 22, Ch. 668, L. 1989.**

**80-15-413.** *(Effective January 1, 1990)* **Judicial civil penalty.** A person who commits a violation as specified in 80-15-402 shall be subject to a judicial civil penalty not to exceed $10,000. Each occurrence constitutes a separate violation.

**History:** **En. Sec. 23, Ch. 668, L. 1989.**

**80-15-414.** *(Effective January 1, 1990)* **Criminal penalties.** (1) A person who intentionally commits a violation as specified in 80-15-402 is guilty of an offense and subject to a fine not to exceed $25,000 for each day the violation continues or imprisonment for not more than 1 year, or both. Following an initial conviction under this section, a subsequent conviction subjects a person to a fine of not more than $50,000 for each day the violation continues or imprisonment for not more than 2 years, or both.

(2) Except as otherwise provided in this chapter, a person convicted of violating any of the provisions of this chapter or rules issued under this chapter or who misrepresents, impedes, obstructs, hinders, or otherwise prevents or attempts to prevent the department from performance of its duties in connection with the provisions of this chapter is guilty of a misdemeanor and shall be fined not less than $100 but not more than $1,500.

(3) A person who knowingly makes any false statement, representation, or certification in any record, report, or other document filed or required to be maintained under this chapter or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter shall, upon conviction, be punished by a fine of not more than $5,000 or by imprisonment for not more than 6 months, or both.

(4) A person who with intent to defraud uses or reveals confidential information and data provided under this chapter or rules issued under this chapter shall, upon conviction, be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

**History:** **En. Sec. 24, Ch. 668, L. 1989.**

# TITLE 81

## LIVESTOCK

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3. Marks and Brands.
4. Containment of Livestock.
5. Unlawful Transporting or Driving of Livestock.
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# CHAPTER 1

# DEPARTMENT OF LIVESTOCK

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Special levies for livestock, Art. XII, sec. 1, Mont. Const.

State control of access, ingress, and egress to and through land ceded to the United States by persons owning or controlling livestock, 2-1-202, 2-1-209.

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Creation and composition of Board of Livestock, 2-15-3102.

Montana Pork Research and Marketing Committee, 2-15-3103.

## Part 1

## General Provisions

**81-1-101. Definitions.** Unless the context requires otherwise, in Title 81, the following definitions apply:

(1) "Board" means the board of livestock provided for in 2-15-3102.

(2) "Department" means the department of livestock provided for in Title 2, chapter 15, part 31.

**History: En. 46-103.1 by Sec. 48, Ch. 310, L. 1974; R.C.M. 1947, 46-103.1.**

**81-1-102. Duties and powers of department — fees based on costs.** (1) The department shall exercise general supervision over and, so far as possible, protect the livestock interests of the state from theft and disease and recommend legislation which, in the judgment of the department, fosters this industry. The department may compel the attendance of witnesses, employ counsel to assist in the prosecution of violations of laws made for the protection of the livestock interests, and assist in the prosecution of persons charged with illegal branding or theft of livestock or any other crime under the laws of this state for the protection of stock owners. It may adopt rules governing the recording and use of livestock brands.

(2) The department shall by rule establish all fees that it is authorized to charge, commensurate with costs as provided in 37-1-134.

**History: En. Sec. 4, Ch. 51, L. 1917; re-en. Sec. 3256, R.C.M. 1921; re-en. Sec. 3256, R.C.M. 1935; amd. Sec. 49, Ch. 310, L. 1974; amd. Sec. 52, Ch. 359, L. 1977; R.C.M. 1947, 46-104; amd. Sec. 4, Ch. 444, L. 1983.**

**Cross-References**

Subpoenas in administrative proceedings, 2-4-104.

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Subpoenas generally, Title 26, ch. 2, part 1.

Department of Agriculture to promote livestock shows, 80-1-102.

**81-1-103. Audit of bills — payment of expenses.** The department shall audit all bills for expenses incurred by it in the discharge of its duties, which shall be paid out of the department's moneys in the state special revenue fund.

**History: En. Sec. 5, Ch. 51, L. 1917; re-en. Sec. 3257, R.C.M. 1921; re-en. Sec. 3257, R.C.M. 1935; amd. Sec. 88, Ch. 147, L. 1963; amd. Sec. 50, Ch. 310, L. 1974; R.C.M. 1947, 46-105; amd. Sec. 1, Ch. 277, L. 1983.**

**81-1-104. Investment of state special revenue account funds — crediting of investment income.** The board may direct the board of investments to invest funds from state special revenue accounts of the department pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the state special revenue account of the department from which the investment is made.

**History: En. 46-105.1 by Sec. 1, Ch. 16, L. 1977; R.C.M. 1947, 46-105.1; amd. Sec. 44, Ch. 281, L. 1983.**

**Cross-References**

Powers and duties of Board of Investments, 17-6-201.

## Part 2

## Inspectors and Detectives

**Part Cross-References**

Special levies on commodities for livestock and commodity inspection, Art. XII, sec. 1, Mont. Const.

**81-1-201. Appointment and powers.** The department may appoint stock inspectors and detectives necessary for the protection of the livestock interests of this state. The department shall designate which inspectors and detectives are considered law enforcement officers, and those designated shall take the official oath required by law and shall have similar powers and authority to those conferred by law on deputy sheriffs. However, they are not entitled to the fees or emoluments awarded by law to deputy sheriffs. The board shall devise an examination for the qualification of stock inspectors and detectives designated as law enforcement officers and may appoint and employ only persons who successfully pass such examination. The board shall promulgate administrative rules for the taking of this examination and define a passing grade.

**History:** En. Sec. 2970, Pol. C. 1895; re-en. Sec. 1796, Rev. C. 1907; amd. Sec. 1, Ch. 170, L. 1921; re-en. Sec. 3309, R.C.M. 1921; re-en. Sec. 3309, R.C.M. 1935; amd. Sec. 1, Ch. 17, L. 1974; amd. Sec. 96, Ch. 310, L. 1974; R.C.M. 1947, 46-701; amd. Sec. 5, Ch. 444, L. 1983.

**Cross-References**

Official oath, 2-16-211.

Powers and authority of deputy sheriffs, 7-32-2121.

Duties of state stock inspectors and deputy stock inspectors, 81-3-203.

**81-1-202. Duties.** The stock inspectors and detectives shall arrest all persons who in their presence violate the stock laws of this state. Every stock inspector and detective, on information that a person has committed an offense against the laws of this state by engaging in illegal branding or theft of stock or an offense against the laws of this state for the protection of the rights and interests of stock owners, must make the necessary affidavit for the arrest and examination of the person and on a warrant issued for the person immediately arrest the person and bring him before the proper officer and notify the department of his acts.

**History:** En. Sec. 2972, Pol. C. 1895; re-en. Sec. 1798, Rev. C. 1907; re-en. Sec. 3311, R.C.M. 1921; re-en. Sec. 3311, R.C.M. 1935; amd. Sec. 97, Ch. 310, L. 1974; amd. Sec. 53, Ch. 359, L. 1977; R.C.M. 1947, 46-703.

**Cross-References**

Arrest, Title 6, ch. 6.

Employment, compensation, and confidentiality of stock inspector, 7-21-3211 through 7-21-3213.

Authority of highway patrol officers to stop vehicles and determine rightful possession of livestock therein, 44-1-1004.

Illegal branding or altering or obscuring a brand, 45-6-327.

**81-1-203. Compensation.** The stock inspectors and detectives are under the exclusive control and direction of the department. They must be paid for their services in the amount which the department determines.

**History:** En. Sec. 2973, Pol. C. 1895; re-en. Sec. 1799, Rev. C. 1907; re-en. Sec. 3312, R.C.M. 1921; re-en. Sec. 3312, R.C.M. 1935; amd. Sec. 91, Ch. 147, L. 1963; amd. Sec. 98, Ch. 310, L. 1974; R.C.M. 1947, 46-704.

**81-1-204. Assignment to districts.** The stock inspectors and detectives are district officers, and the department must designate the district in which the inspectors and detectives serve, and the district must be designated in their commissions.

**History:** En. Sec. 2991, Pol. C. 1895; re-en. Sec. 1800, Rev. C. 1907; re-en. Sec. 3313, R.C.M. 1921; re-en. Sec. 3313, R.C.M. 1935; amd. Sec. 99, Ch. 310, L. 1974; R.C.M. 1947, 46-705.

## Part 3

## Administration of Animal Health Laws

**Part Cross-References**

Special levies on commodities for livestock and commodity inspection, Art. XII, sec. 1, Mont. Const.

**81-1-301. Administrator — appointment and qualifications.** (1) The board shall appoint a person to be directly responsible to it for the administration of the laws relating to animal health.

(2) He must have a doctor of veterinary medicine degree from an accredited college or school, and he must be licensed to practice veterinary medicine in this state.

**History:** En. Sec. 3, Ch. 262, L. 1921; re-en. Sec. 3262, R.C.M. 1921; re-en. Sec. 3262, R.C.M. 1935; amd. Sec. 52, Ch. 310, L. 1974; R.C.M. 1947, 46-203.

**Cross-References**

License provisions governing practice of veterinary medicine, Title 37, ch. 18, part 3.

**81-1-302. Duties of administrator.** The administrator, subject to the rules of the board, may act for and perform the duties imposed by law on the board when the board is not in session, but any order or regulation promulgated by him shall be subject to review, modification, or annulment by the board.

**History:** En. Sec. 4, Ch. 262, L. 1921; re-en. Sec. 3263, R.C.M. 1921; re-en. Sec. 3263, R.C.M. 1935; amd. Sec. 53, Ch. 310, L. 1974; R.C.M. 1947, 46-204.

**81-1-303. Administrator's expertise to be considered.** In any action taken by the board in 81-2-102 and 81-20-101, the board shall ask for and consider the expertise and judgment of the administrator of the laws relating to animal health.

**History:** En. 46-209.1 by Sec. 58, Ch. 310, L. 1974; R.C.M. 1947, 46-209.1.

**81-1-304. Appointment of federal veterinary inspectors.** With the approval of either the federal veterinarian in charge in this state or the United States department of agriculture, the department of livestock may appoint federal veterinarians or federal lay inspectors stationed in this state, as deputies or agents for the department. All federal officers so appointed as deputies or agents of the department possess the powers and duties of regular deputies or agents of the department, but they shall act without compensation and hold office only at the pleasure of the department.

**History:** En. Sec. 6, Ch. 262, L. 1921; re-en. Sec. 3265, R.C.M. 1921; re-en. Sec. 3265, R.C.M. 1935; amd. Sec. 54, Ch. 310, L. 1974; R.C.M. 1947, 46-206.

**Cross-References**

Powers and authority of deputy sheriffs, 7-32-2121, 81-3-203.

## Part 4

## Rodent Control (Renumbered. Sec. 4, Ch. 65, L. 1983)

**Part Compiler's Comments**

*Sections Renumbered:*

81-1-401. Renumbered 80-7-1101. Sec. 4, Ch. 65, L. 1983.

81-1-402. Renumbered 80-7-1102. Sec. 4, Ch. 65, L. 1983.

81-1-403. Renumbered 80-7-1103. Sec. 4, Ch. 65, L. 1983.

# CHAPTER 2

# DISEASE CONTROL

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81-2-103. Adoption of rules.
81-2-104. Rules — agreement with federal government.
81-2-105. Authority of municipal corporations.
81-2-106. Cooperation by public officers.
81-2-107. Duty to report contagious diseases.
81-2-108. Diseased animals not to run at large — burial of carcasses.
81-2-109. Expenses, how paid — lien and foreclosure.
81-2-110. Expense of cleaning and disinfecting carriers' facilities.
81-2-111. Injunctive remedies.
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81-2-708. Penalty.

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## Part 1

## General Administration

**81-2-101. Authority of department agents.** In the performance of his official duties, an agent or officer of the department may enter on or in a lot, yard, land, building, room, premises, enclosure, car, wagon, boat, or other place or vehicle used for the treatment, storage, manufacture, display, or transportation of animals, meat, or dairy products intended for sale or disposal as food. The agent or officer may enter anywhere where there may be found livestock affected with or which has been exposed to or which the officer has reason to believe is either affected with or has been exposed to an infectious, contagious, communicable, or dangerous disease or disease-carrying insects.

**History: En. Sec. 7, Ch. 262, L. 1921; re-en. Sec. 3266, R.C.M. 1921; re-en. Sec. 3266, R.C.M. 1935; amd. Sec. 55, Ch. 310, L. 1974; R.C.M. 1947, 46-207.**

**Cross-References**

Search and seizure, Art. II, sec. 11, Mont. Const.; Title 46, ch. 5.

**81-2-102. Powers of department.** (1) The department may:

(a) supervise the sanitary conditions of livestock in this state, under the provisions of the constitution and statutes of this state and the rules adopted by the department. The department may quarantine a lot, yard, land, building, room, premises, enclosure, or other place or section in this state which is or may be used or occupied by livestock and which in the judgment of the department is infected or contaminated with an infectious, contagious, communicable, or dangerous disease or disease-carrying medium by which the disease may be communicated. The department may quarantine livestock in this state when the livestock is affected with or has been exposed to disease or disease-carrying medium. The department may prescribe treatments and enforce sanitary rules which are necessary and proper to circumscribe, extirpate, control, or prevent the disease.

(b) foster, promote, and protect the livestock industry in this state by the investigation of diseases and other subjects related to ways and means of prevention, extirpation, and control of diseases or to the care of livestock and its products and to this end may establish and maintain a laboratory, may make or cause to be made biologic products, curatives, and preventative agents, and may perform any other acts and things as may be necessary or proper in the fostering, promotion, or protection of the livestock industry in this state;

(c) impose and collect such fees as the department considers appropriate for the tests and services performed by it at the laboratory or elsewhere and for biologic products, curatives, and preventative agents made or caused to be made by the department. In fixing these fees the department shall take into consideration the costs, both direct and indirect, of the tests, services, products, curatives, and agents. All fees shall be deposited in the state special revenue fund for the use of the animal health functions of the department.

(d) adopt rules and orders which it considers necessary or proper to prevent the introduction or spreading of infectious, contagious, communicable, or dangerous diseases affecting livestock in this state and to this end may adopt rules and orders necessary or proper governing inspections and tests of livestock intended for importation into this state before it may be imported into this state;

(e) adopt rules and orders which it considers necessary or proper for the inspection, testing, and quarantine of all livestock imported into this state;

(f) adopt rules and orders which it considers necessary or proper for the supervision, inspection, and control of the standards and sanitary conditions of slaughterhouses, meat depots, meat and meat food products, dairies, milk depots, milk and its byproducts, barns, dairy cows, factories, and other places and premises where meat or meat foods, milk or its products, or any byproducts thereof intended for sale or consumption as food are produced, kept, handled, or stored. An authorized representative of the department may take samples of a product so produced, kept, handled, or stored for analysis or testing by the department. The records of the samples and their analysis and test, when identified as to the sample by the oath of the officer taking it and verified as to the analysis or test by the oath of the chemist or bacteriologist making it, are prima facie evidence of the facts set forth in them when offered in evidence in a prosecution or action at law or in equity for violation of part 1, 2, or 3 of this chapter, 81-9-201, 81-20-101, 81-21-102, 81-21-103, or a rule or order of the board adopted thereunder. These standards, insofar as they relate to dairies or milk and its byproducts, may not include standards of weight or measurement.

(g) adopt rules and orders which seem necessary or proper for the supervision and control of manufactured and refined foods for livestock and the manufacture, importation, sale, and method of using a biologic remedy or curative agent for the treatment of diseases of livestock. However, as far as practicable the standards approved by the United States department of agriculture shall be adopted.

(h) install an adequate system of meat inspection in accordance with 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 which shall provide ways and means for shipping home-grown and home-killed meats into any city in this state. As far as practicable, the rules shall conform with the meat-inspection requirements of the United States department of agriculture.

(i) slaughter or cause to be slaughtered any livestock in this state known to be affected with or which has been exposed to an infectious, contagious, communicable, or dangerous disease, when such slaughter is necessary for the protection of other livestock, and destroy or cause to be destroyed all barns, stables, sheds, outbuildings, fixtures, furniture, or personal property infected with any such infectious, contagious, communicable, or dangerous disease when they cannot be thoroughly cleaned and disinfected and the destruction is necessary to prevent the spreading of the disease;

(j) indemnify the owner of any property destroyed by order of the department or pursuant to any rules adopted by the department under part 1, 2, or 3 of this chapter, 81-20-101, 81-21-102, 81-21-103;

(k) require persons, firms, and corporations engaged in the production or handling of meat, meat food products, dairy products, or any byproducts thereof to furnish statistics of the quantity and cost of the food and food products produced or handled and the name and address of persons supplying them any of the products.

(2) When in the exercise of its powers or the discharge of its duties it becomes necessary for employees of the department to investigate facts and conditions, they may administer oaths, take affidavits, and compel the attendance and testimony of witnesses.

**History: (1)En. Sec. 8, Ch. 262, L. 1921; re-en. Sec. 3267, R.C.M. 1921; re-en. Sec. 3267, R.C.M. 1935; amd. Sec. 56, Ch. 310, L. 1974; amd. Sec. 1, Ch. 139, L. 1975; amd. Sec. 9, Ch. 12, L. 1977; Sec. 46-208, R.C.M. 1947; (2)En. Sec. 31, Ch. 262, L. 1921; re-en. Sec. 3290, R.C.M. 1921; re-en. Sec. 3290, R.C.M. 1935; amd. Sec. 82, Ch. 310, L. 1974; Sec. 46-240, R.C.M. 1947; R.C.M. 1947, 46-208, 46-240; amd. Sec. 1, Ch. 28, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 18, Ch. 577, L. 1987.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Veterinary medicine, Title 37, ch. 18.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

Related agricultural rules, 80-9-103.

Consideration of administrator's expertise, 81-1-303.

Penalty for violation of brucellosis vaccination requirements, 81-2-805.

Slaughterhouse license — fees and renewals, 81-9-201.

Injunctive remedies to prevent violation of rules, 81-21-104.

Penalty for violation of rule or order, 81-21-105.

**81-2-103. Adoption of rules.** The department shall adopt and enforce rules for the inspection and tuberculin testing of dairy cattle or other animals and for the inspection, testing, treatment, or disposition of livestock or other animals affected with or which may have been exposed to infectious, contagious, communicable, or dangerous disease and for the quarantines provided for in this chapter or 81-20-101.

**History: En. Sec. 9, Ch. 262, L. 1921; re-en. Sec. 3268, R.C.M. 1921; re-en. Sec. 3268, R.C.M. 1935; amd. Sec. 59, Ch. 310, L. 1974; amd. Sec. 10, Ch. 12, L. 1977; R.C.M. 1947, 46-211; amd. Sec. 1, Ch. 110, L. 1981.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-2-104. Rules — agreement with federal government.** When the department determines that it is necessary to eradicate or control an infectious, contagious, communicable, or dangerous disease of livestock in this state, in cooperation with the United States department of agriculture or other federal agency, and to appraise and destroy animals affected with or which have been exposed to a disease or to destroy property in order to remove the infection and complete the cleaning and disinfection of the premises or to do any act or incur any other expense reasonably necessary in suppressing this disease, the board may accept and adopt on behalf of the state the rules adopted by the United States department of agriculture or other federal agency under authority of an act of congress or the portion considered necessary, suitable, or applicable. The department may adopt other rules necessary or desirable for this purpose and cooperate with the United States department of agriculture or other federal agency in the enforcement of the rules accepted and adopted.

**History: En. Sec. 2, Ch. 177, L. 1937; amd. Sec. 71, Ch. 310, L. 1974; R.C.M. 1947, 46-227.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-2-105. Authority of municipal corporations.** Nothing in this title prevents the governing authority of a municipal corporation from enacting or enforcing ordinances for the inspection of slaughterhouses, meat depots, meat markets, meat food products, creameries, butter or cheese factories, dairies, or dairy products located, sold, or offered for sale in the limits of the municipal corporation. An ordinance may not be enforced in conflict with the powers of this title delegated to the department and its officers or agents.

**History: En. Sec. 11, Ch. 262, L. 1921; re-en. Sec. 3270, R.C.M. 1921; re-en. Sec. 3270, R.C.M. 1935; amd. Sec. 63, Ch. 310, L. 1974; amd. Sec. 12, Ch. 12, L. 1977; R.C.M. 1947, 46-217; amd. Sec. 1, Ch. 14, L. 1979.**

**Cross-References**

Opening of public market, 7-21-3303.

**81-2-106. Cooperation by public officers.** The department of health and environmental sciences, the board of health and environmental sciences, and local boards of health of a county, city, or town shall cooperate with and assist the department of livestock in matters which relate to the execution of its sanitary powers regarding livestock and their food products in the manner which the department of livestock prescribes, either by general rule or direct order.

**History:** En. Sec. 25, Ch. 262, L. 1921; re-en. Sec. 3284, R.C.M. 1921; re-en. Sec. 3284, R.C.M. 1935; amd. Sec. 78, Ch. 310, L. 1974; amd. Sec. 21, Ch. 12, L. 1977; R.C.M. 1947, 46-234.

**Cross-References**

Department of Health and Environmental Sciences, Title 2, ch. 15, part 21.

Board of Health and Environmental Sciences, 2-15-2104.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31.

Food establishments, Title 50, ch. 50.

**81-2-107. Duty to report contagious diseases.** A person, including the owner or custodian, who has reason to suspect the existence of a dangerous, infectious, contagious, or communicable disease in livestock or the presence of animals exposed to the disease in this state shall immediately give notice to the department.

**History:** En. Sec. 27, Ch. 262, L. 1921; re-en. Sec. 3286, R.C.M. 1921; re-en. Sec. 3286, R.C.M. 1935; amd. Sec. 80, Ch. 310, L. 1974; R.C.M. 1947, 46-236.

**81-2-108. Diseased animals not to run at large — burial of carcasses.** It shall be unlawful for any owner, agent, or person in charge of any domestic animal or animals that are known to be suffering from or exposed to a dangerous, infectious, contagious, or communicable disease to permit such animal or animals to run at large on the public range or public highway. It shall be the duty of the owner or agent or person in charge of animals which died or they have reason to suspect did die from an infectious, contagious, communicable, or dangerous disease to properly bury or burn the same.

**History:** En. Sec. 28, Ch. 262, L. 1921; re-en. Sec. 3287, R.C.M. 1921; re-en. Sec. 3287, R.C.M. 1935; R.C.M. 1947, 46-237.

**Cross-References**

Rabies control, Title 50, ch. 23.

**81-2-109. Expenses, how paid — lien and foreclosure.** (1) If there is no violation of law or department rule, the expense of inspecting, testing, supervision of quarantine, supervision of dipping, supervision of disinfection, and supervision of other treatment of diseased or exposed livestock by the department and the sanitary inspection of dairies, packinghouses, meat depots, slaughterhouses, milk depots, and other premises shall be paid for by the department. However, the owner of the livestock or property is liable for all expenses, except the salary of the designated supervising officer representing the department, when the owner, agent, or person in charge of the livestock or property has violated the law or rules of the department.

(2) The expenses for which an owner, agent, or person in charge is liable under subsection (1) include:

(a) all investigatory expenses, including travel, meals, and lodging of all investigating officers representing the department; and

(b) all other expenses, extraordinary or otherwise, that in the judgment of the department are reasonably necessary to ensure that there has been or will be compliance with all applicable laws and rules.

(3) The department, at the conclusion of an investigation of a violation, shall serve notice on the violator, informing him of all expenses for which he is liable. The notice must state that if a response is not sent within 30 days of receipt of the notice, the notice is prima facie evidence of the reasonableness of the expenses and of the violator's liability for them.

(4) A showing by the department that a response to the notice required by subsection (3) was not received within 30 days of receipt of the notice is prima facie evidence of the reasonableness of the expenses stated and of the liability of the violator for those expenses.

(5) These expenses are a lien on the livestock or other property, and the department may retain possession of the livestock until the charges and expenses are paid. The lien is not dependent on possession and may be foreclosed in the name of the agent of the department by sale at public auction of the stock or as many as may be necessary to pay the sum of the costs, after 10 days' notice by posting in three public places in the county. The lien may also be foreclosed by an action in a court of competent jurisdiction against the owner of the livestock to recover the amount of charges and expenses.

**History: En. Sec. 21, Ch. 262, L. 1921; re-en. Sec. 3280, R.C.M. 1921; re-en. Sec. 3280, R.C.M. 1935; amd. Sec. 74, Ch. 310, L. 1974; amd. Sec. 18, Ch. 12, L. 1977; R.C.M. 1947, 46-230; amd. Sec. 2, Ch. 28, L. 1979; amd. Sec. 1, Ch. 353, L. 1983.**

**Cross-References**

Liens — general provisions, Title 71, ch. 3, part 1.

**81-2-110. Expense of cleaning and disinfecting carriers' facilities.** The expense of cleaning and disinfecting cars, yards, or other transportation facilities of a common carrier, when required by the department, is a charge against the common carrier. Also, the expense of supervising the cleaning and disinfecting of cars for transportation of livestock, when required at a point other than disinfection points agreed on between the department and the carrier, is a charge against the common carrier.

**History: En. Sec. 22, Ch. 262, L. 1921; re-en. Sec. 3281, R.C.M. 1921; re-en. Sec. 3281, R.C.M. 1935; amd. Sec. 75, Ch. 310, L. 1974; R.C.M. 1947, 46-231.**

**Cross-References**

Carriers of property, Title 69, ch. 11, part 4.

**81-2-111. Injunctive remedies.** The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating the provisions of parts 1 through 3 of this chapter or rules adopted thereunder, notwithstanding the existence of other remedies at law. When the application of other remedies has been insufficient to compel action to control, extirpate, or prevent the spread of disease or upon a showing that an animal disease emergency exists and that other remedies probably would be insufficient to compel action to control the emergency, the department may apply for and the court may grant mandatory injunctive relief.

**History: En. 46-210.1 by Sec. 1, Ch. 190, L. 1977; R.C.M. 1947, 46-210.1.**

**Cross-References**

Provisions on injunctions, Title 27, ch. 19.

Penalty for misdemeanor, 46-18-212.

**81-2-112. Prohibition by governor on importation of animals from localities where disease exists — penalty.** (1) Whenever the governor has good reason to believe that any disease dangerous or inimical to the livestock or poultry industry or dangerous to dogs or other animals has become epidemic in certain localities in any other state, territory, District of Columbia, or other country, he shall issue a proclamation designating such localities and prohibiting the importation therefrom into this state, except under such restrictions as he may deem proper, of any livestock, poultry, dogs, or other animals or articles or commodities likely to convey such disease or diseases.

(2) Any person who, after the publication of such proclamation, knowingly receives any livestock, dog, fowl, or other animal or article or commodity designated in such proclamation as likely to convey disease from any of the prohibited districts and transports or conveys the same within the limits of this state is punishable by imprisonment in the county jail for not less than 60 days or more than 8 months and by a fine of not less than $300 or more than $5,000 or by both such fine and imprisonment and is further liable for any and all damages and loss that may be sustained by any person or persons by reason of the disobedience of such proclamation.

**History: (1)En. Sec. 1, Ch. 31, L. 1925; re-en. Sec. 3295.1, R.C.M. 1935; Sec. 46-245, R.C.M. 1947; (2)En. Sec. 2, Ch. 31, L. 1925; re-en. Sec. 3295.2, R.C.M. 1935; Sec. 46-246, R.C.M. 1947; R.C.M. 1947, 46-245, 46-246.**

**81-2-113. Penalty.** Any person, persons, firm, or corporation violating any provision of parts 1 through 3 of this chapter, or the rule or order promulgated by authority of same shall be guilty of a misdemeanor. Violations shall be tried without undue delay in any court of competent jurisdiction.

**History: En. Sec. 29, Ch. 262, L. 1921; re-en. Sec. 3288, R.C.M. 1921; re-en. Sec. 3288, R.C.M. 1935; amd. Sec. 23, Ch. 12, L. 1977; R.C.M. 1947, 46-238.**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-2-114. Civil liability.** A person, firm, or corporation which violates parts 1 through 3 of this chapter or rules or orders of the department is liable for damages sustained by a person because of the violation. The damages may be recovered by the person in a civil action in a court of competent jurisdiction.

**History: En. Sec. 30, Ch. 262, L. 1921; re-en. Sec. 3289, R.C.M. 1921; re-en. Sec. 3289, R.C.M. 1935; amd. Sec. 81, Ch. 310, L. 1974; amd. Sec. 24, Ch. 12, L. 1977; R.C.M. 1947, 46-239.**

## Part 2

## Indemnity

**Part Cross-References**

Indemnity, Title 28, ch. 11, part 3.

**81-2-201. Classification of animals as to compensation for slaughter.** Animals slaughtered under the direction of the department by order of the board are divided into two classes for the purposes of compensation:

(1) Animals determined by the department to be affected with an incurable disease, which are destroyed by order of the board, are designated as animals of class 1, and unless otherwise provided each of the animals shall be paid for on the basis of 75% of its appraised value. The county in which the

animal was owned at the time it was determined to be affected with an incurable disease is liable in part, as later provided, for an indemnity to be paid for the animal. The ownership and county are determined by an affidavit of the owner of the animal or his agent. Each animal directed to be destroyed shall be appraised by a representative or an authorized agent of the department with the owner agreeing in writing as to the value of the animal. When appraised, due consideration shall be given to its breeding value as well as its dairy or meat value and the condition of the animal as to the disease and the present and probable effect of the disease on the animal. In the absence of an agreement, there shall be appointed three competent, disinterested parties, one appointed by the department, one by the owner, and a third by the first two, to appraise each animal, taking into consideration its breeding value as well as its dairy or meat value and the condition of the animal as to the disease and the present probable effect of the disease on the animal. The judgment of the majority is the judgment of the appraisers and is binding on both parties as the final determination of indemnity to be paid for each animal. The total compensation of each group of appraisers is limited to $5 for the group appraisal, one-half of which shall be paid by the department. The total amount of indemnity paid by the state and a county for an animal may not exceed the actual sound value of an animal of its class, and the total combined amount of indemnity paid for the animal by the state and a county may not exceed the sum of $100 for a registered purebred animal or the sum of $50 for a grade animal. Animals presented for appraisal as purebreds shall be accompanied by their registration papers at the time of appraisal or they shall be appraised as grades. If purebreds are less than 3 years old and not registered, the department may grant a reasonable time for their registration and presentation of their registration papers to the appraiser. Registration papers shall accompany the claim for indemnity.

(2) Animals of class 1 shall be paid for on the basis of their full appraised value as determined in this section if no evidence of incurable disease is disclosed by autopsy, bacteriologic, serologic, microscopic, or other findings. The total combined amount of indemnity paid by the state and a county for an animal may not exceed the actual sound value of an animal of its class. The total combined amount of indemnity paid by the state and a county for the animal may not exceed $100 for a registered purebred animal or $50 for a grade animal.

(3) Animals which are determined by the department to be affected with or exposed to foot-and-mouth disease, rinderpest, contagious pleura pneumonia, surra, or other infectious, contagious, communicable, or dangerous disease, which is not of its nature necessarily fatal, and are destroyed by order of the department as a sanitary safeguard, are designated as animals of class 2 and each animal shall be paid for on the basis of its full appraised value. The appraised value shall be determined in the manner set out in subsection (1) of this section. The appraisal of the animals shall be based on the meat, dairy, or breeding value of the animal, but where appraisal is based on breeding value of the animal, no appraisal may exceed three times its meat or dairy value. The total amount of indemnity paid by the state for an animal may not exceed the actual sound value of an animal in its class. No indemnity for a class 2 animal may be paid by a county. In the case of destruction of an animal afflicted with brucellosis (Bang's disease), no indemnity shall be paid

for the animal unless the board, in its discretion, determines the best interests of this state will be served by payment of an indemnity. In this event, the board shall set out standards of indemnity by rules and may not pay in excess of $100 for a registered purebred animal or $50 for a grade animal. In all cases where the federal government or agency other than the state compensates the owner in whole or in part for livestock destroyed as a sanitary safeguard, the amount of compensation from the state shall be determined under 81-2-210.

(4) Animals which are injured or killed while they are being inspected or tested under an order of the department or its agent, which do not come within either class 1 or class 2, may be paid for at their full appraised value if the claim for the animal is recommended for payment at a meeting of the board. Where it is shown that the injury or death of the animal was not proximately due to the negligence of the owner or his agent, the whole claim, when approved, shall be paid out of department funds. The limit of indemnity for an animal paid for by the state may not exceed that fixed by this section for animals of class 2.

**History:** **En. Sec. 12, Ch. 262, L. 1921; re-en. Sec. 3271, R.C.M. 1921; re-en. Sec. 3271, R.C.M. 1935; amd. Sec. 1, Ch. 75, L. 1943; amd. Sec. 1, Ch. 107, L. 1949; amd. Sec. 64, Ch. 310, L. 1974; amd. Sec. 13, Ch. 12, L. 1977; R.C.M. 1947, 46-218.**

**81-2-202. Payment for other personal property.** Personal property other than livestock destroyed by order of the department shall be paid for on the basis of its appraised value. The appraised value is determined in the manner specified in 81-2-201 for the determination of the appraised value of animals.

**History:** **En. Sec. 13, Ch. 262, L. 1921; re-en. Sec. 3272, R.C.M. 1921; re-en. Sec. 3272, R.C.M. 1935; amd. Sec. 2, Ch. 75, L. 1943; amd. Sec. 65, Ch. 310, L. 1974; R.C.M. 1947, 46-219.**

**81-2-203. Indemnity — from what funds paid.** In payment for animals or property destroyed by order of the department, the state shall pay one-half of the indemnity out of the money at the disposal of the department. The county liable in part for the indemnity shall pay one-half of the total indemnity out of the general fund of the county.

**History:** **En. Sec. 14, Ch. 262, L. 1921; re-en. Sec. 3273, R.C.M. 1921; re-en. Sec. 3273, R.C.M. 1935; amd. Sec. 66, Ch. 310, L. 1974; amd. Sec. 14, Ch. 12, L. 1977; R.C.M. 1947, 46-220.**

**81-2-204. Presentation of claims for indemnity.** Claims against the state and county which arise from the destruction of animals or property by order of the department shall be made on forms provided by the department. They must contain an affidavit by the owner or his agent with knowledge of the animal or property, certifying to the ownership of the animal or property, the county in which they are owned, and that the animal or property has been destroyed under the law and the rules of the department. These claims must be accompanied by a certificate from the department that the animal or property was ordered destroyed. The claims shall also be accompanied by a certificate of appraisement as appraisal is determined under 81-2-201, together with an account of sale showing the net proceeds from the sale of the animal, if any, paid to the owner of the animal.

**History:** **En. Sec. 15, Ch. 262, L. 1921; re-en. Sec. 3274, R.C.M. 1921; re-en. Sec. 3274, R.C.M. 1935; amd. Sec. 4, Ch. 75, L. 1943; amd. Sec. 67, Ch. 310, L. 1974; R.C.M. 1947, 46-221.**

**81-2-205. Indemnity for class two animals in state less than one hundred twenty days.** Indemnity for animals of class 2 shall be paid out of department funds when the animals have not been in this state for at least 120 days and the payment is authorized by the department under 81-2-209(1)(e).

**History:** En. Sec. 5, Ch. 75, L. 1943; amd. Sec. 68, Ch. 310, L. 1974; R.C.M. 1947, 46-222.

**81-2-206. Verification and payment of claims.** (1) All claims against the department must be verified by oath of the claimant or his agent with knowledge of the facts.

(2) Claims against the state arising under this part, if found correct, shall be processed and paid from funds of the department.

**History:** (1)En. Sec. 2, Ch. 262, L. 1921; re-en. Sec. 3261, R.C.M. 1921; re-en. Sec. 3261, R.C.M. 1935; amd. Sec. 20, Ch. 97, L. 1961; amd. Sec. 51, Ch. 310, L. 1974; Sec. 46-202, R.C.M. 1947; (2)En. Sec. 16, Ch. 262, L. 1921; re-en. Sec. 3275, R.C.M. 1921; re-en. Sec. 3275, R.C.M. 1935; amd. Sec. 21, Ch. 97, L. 1961; amd. Sec. 69, Ch. 310, L. 1974; amd. Sec. 15, Ch. 12, L. 1977; Sec. 46-224, R.C.M. 1947; R.C.M. 1947, 46-202, 46-224.

**81-2-207. Payment from county funds.** The board of county commissioners of the county liable in part for the indemnity for any such animal or property destroyed shall cause to be paid the amount due from said county out of the general funds of the county.

**History:** En. Sec. 17, Ch. 262, L. 1921; re-en. Sec. 3276, R.C.M. 1921; re-en. Sec. 3276, R.C.M. 1935; R.C.M. 1947, 46-225.

**81-2-208. Sale of condemned carcasses — disposition of proceeds.** Where the carcass of an animal ordered destroyed under this chapter is found on official postmortem inspection to be fit for human consumption, the owner shall receive the net proceeds from the sale of the carcass. The proceeds shall be deducted from his claim against the state and county for the slaughter. A representative of the department may, when considered advisable or necessary or when it is desired by the owner, sell the carcass on terms he considers to be in the best interests of this state, and the net proceeds obtained from the sale shall be paid to the owner. This procedure does not invalidate the owner's claim for indemnity for any balance due him.

**History:** En. Sec. 18, Ch. 262, L. 1921; re-en. Sec. 3277, R.C.M. 1921; re-en. Sec. 3277, R.C.M. 1935; amd. Sec. 1, Ch. 177, L. 1937; amd. Sec. 70, Ch. 310, L. 1974; amd. Sec. 16, Ch. 12, L. 1977; R.C.M. 1947, 46-226.

**81-2-209. When no indemnity.** (1) The owner of an animal or property destroyed under this chapter is entitled to indemnity, except in the following cases:

(a) animals belonging to the United States;

(b) animals brought into this state which violate this chapter or rules of the department;

(c) animals which the owner or claimant knew to be diseased or had notice of the disease at the time they came into his possession;

(d) animals which had the disease for which they were slaughtered or which were destroyed because of exposure to the disease at the time of their arrival in this state. However, a class 2 animal shipped into this state under department rules and accompanied by the proper certificate of health from a recognized state or federal veterinarian may be paid for when payment is authorized by the department.

(e) animals which have not been in this state for at least 120 days before the discovery of the disease; however, class 2 animals which have not been in the state 120 days may be paid for when payment is authorized by the department;

(f) when the owner or agent has not used reasonable diligence to prevent disease or exposure to disease;

(g) when the owner or agent has not complied with the rules of the department with respect to animals condemned;

(h) when animals condemned are not destroyed within 60 days after they are determined to be affected with or exposed to a disease which requires them to be destroyed by order of the department.

(2) No compensation or indemnity will be paid for the destruction of livestock affected with tuberculosis or other infectious, contagious, communicable, or dangerous disease unless the entire herd or band of affected livestock is under the supervision of the department for the eradication of the disease.

**History:** En. Sec. 19, Ch. 262, L. 1921; re-en. Sec. 3278, R.C.M. 1921; re-en. Sec. 3278, R.C.M. 1935; amd. Sec. 22, Ch. 97, L. 1961; amd. Sec. 72, Ch. 310, L. 1974; amd. Sec. 17, Ch. 12, L. 1977; R.C.M. 1947, 46-228.

**81-2-210. Compensation from federal government or other agency.** (1) If the federal government or an agency other than the state or county compensates the owner for livestock or property destroyed by order of the department, the amount of the compensation from the federal government or other agency shall be deducted from the owner's claim as filed against the state and county, that is, from the balance that remains after the net salvage price received from the sale or other disposal of the condemned animal has been deducted from the appraised value.

(2) If the owner or agent of the livestock or property destroyed by order of the department forfeits an indemnity, which the owner would otherwise be entitled to from the federal government or compensating agency other than the state or county, by violation of the rules of the federal government or other agency, an amount equal to the indemnity which would have been paid by the federal government or other indemnifying agency but for the forfeiture shall also be deducted from the owner's claim; that is, the balance that remains after the net salvage price received from the sale or other disposal of the condemned animal has been deducted from the appraised value.

**History:** En. Sec. 20, Ch. 262, L. 1921; re-en. Sec. 3279, R.C.M. 1921; re-en. Sec. 3279, R.C.M. 1935; amd. Sec. 3, Ch. 75, L. 1943; amd. Sec. 1, Ch. 164, L. 1945; amd. Sec. 73, Ch. 310, L. 1974; R.C.M. 1947, 46-229.

## Part 3

## Disease Control Area

**81-2-301. Establishment of livestock disease control area — entry into area — compulsory inspection.** (1) Upon receipt of a petition signed by not less than 75% of the livestock owners of the species of animals to be inspected, tested, treated, or vaccinated, representing not less than 50% of such species in any school district, as determined from the permanent records of the board of county commissioners describing school district boundaries of any county in the state of Montana, petitioning for the area control, treatment, prevention, or eradication of any dangerous disease of livestock within such school district, the board may establish such school district as a disease control area and may enforce the inspection, test, treatment, or vaccination of all livestock of the species designated within such school district in accordance with the rules promulgated by the department for the inspection, eradication, treatment, or vaccination of such livestock and may reimburse the owners of livestock slaughtered by order of the department or its authorized agent in accordance with the laws of Montana governing the payment of such animal or animals.

(2) In any circumscribed disease control area as established under this section by the department, no other livestock of the species designated by the department to be inspected, tested, treated, or vaccinated may enter the disease control area unless inspected, tested, treated, or vaccinated under the direction of the department or accompanied by a satisfactory health certificate or except under special permit and restrictions provided by the department.

(3) When 75% or more of the school districts in any county in Montana are established under this section by the department as disease control areas, it becomes mandatory on the part of the remaining livestock owners in such county to submit their livestock of one or more species for inspection, test, treatment, or vaccination, as directed by the department.

**History: En. Sec. 1, Ch. 94, L. 1943; amd. Sec. 1, Ch. 27, L. 1973; amd. Sec. 11, Ch. 12, L. 1977; R.C.M. 1947, 46-212.**

**81-2-302. Duty of county assessor.** The assessment roll of the county in which the disease control area is to be established is the basis for computing the required percentage of livestock owners and livestock. The county assessor shall certify to the department when the necessary 75% of the owners of livestock representing not less than 50% of the species of livestock to be inspected, tested, treated, or vaccinated have signed the required petition.

**History: En. Sec. 2, Ch. 94, L. 1943; amd. Sec. 60, Ch. 310, L. 1974; R.C.M. 1947, 46-213.**

**Cross-References**

Taxation — assessment of livestock, Title 15, ch. 24, part 9.

**81-2-303. Owner guilty of misdemeanor, when.** A person in a disease control area who does not gather his livestock after being notified by the department or its agent to have the livestock available or who refuses to have the livestock inspected, tested, treated, or vaccinated or violates this part is guilty of a misdemeanor.

**History: En. Sec. 3, Ch. 94, L. 1943; amd. Sec. 61, Ch. 310, L. 1974; R.C.M. 1947, 46-214.**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

## Part 4

## Regulation of Semen Used for Artificial Insemination

**81-2-401. Definitions.** As used herein:

(1) "artificial insemination" shall mean the fertilization of or the attempt to fertilize the ova of the female animal by placing and implanting by artificial means in the genital tract of the female animal the seminal fluid obtained from the male animal;

(2) "sire" shall mean the male animal of any species, including but not limited to bulls, stallions, rams, boars, studs, bucks, and cocks.

**History:** En. Secs. 2, 3, Ch. 37, L. 1953; R.C.M. 1947, 46-2502, 46-2503.

**81-2-402. Administration by department of livestock.** This part shall be administered by the department of livestock, and in addition to any powers now conferred by law, the department shall have the power and duty to promulgate such reasonable rules and orders not contrary to the provisions of this part, when required, as may be necessary for the proper administration of this part, specifically including but not limited to rules and orders relating to the means for preservation of semen and the use of semen imported into the state of Montana from other states, territories, and possessions of the United States and foreign countries.

**History:** En. Sec. 5, Ch. 37, L. 1953; amd. Sec. 2, Ch. 102, L. 1973; R.C.M. 1947, 46-2505.

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Consignment requirements, 81-2-706.

**81-2-403. Only certain sires to be used for artificial insemination.** (1) All sires used for artificial insemination must be free from brucellosis, vibriosis, trichomoniasis, dourine, posthitis, pullorum disease, other transmissible, infectious, contagious diseases, transmissible hereditary malformations, and other detrimental or undesirable characteristics. Proof of fitness of these sires shall be provided to the department by the owner or parties providing the sires for artificial insemination.

(2) Semen imported into this state may not be used by any artificial inseminator until proof is made to the satisfaction of the department that the sire from which the semen was taken was free from the above-mentioned diseases.

**History:** En. Sec. 15, Ch. 37, L. 1953; amd. Sec. 1, Ch. 102, L. 1973; amd. Sec. 170, Ch. 310, L. 1974; R.C.M. 1947, 46-2515.

## Part 5

## Treatment of Garbage Fed to Swine

**81-2-501. Definitions.** When used in this part, the following definitions apply:

(1) "Garbage" means putrescible animal and vegetable wastes resulting from the handling, preparation, cooking, and consumption of foods, including animal carcasses or parts thereof.

(2) "Garbage feeder" means a person who handles, prepares, cooks, or otherwise treats garbage to feed to swine or other animals, as well as a person who feeds garbage to swine or other animals.

(3) "Person" means the state, any municipality, political subdivision, school district, institution, public or private corporation, individual, partnership, or other entity.

**History:** En. Sec. 1, Ch. 63, L. 1953; R.C.M. 1947, 46-2601.

**81-2-502. Licenses.** (1) It is unlawful to handle, prepare, cook, or otherwise treat garbage to feed to swine or other animals or to feed garbage to swine or other animals without first securing a license for that purpose from the department of livestock. One license issued to the entrepreneur, corporation, or individual responsible for a particular garbage feeding enterprise covers all garbage feeders concerned with the enterprise. The license provided for in this section expires on December 31 of the year in which it is issued. The department shall establish a fee to be charged for all licenses issued under this part. All license fees collected shall be paid into the state special revenue fund for the use of the department.

(2) This part does not apply to a person who feeds only his own household garbage to swine or other animals.

**History: En. Sec. 2, Ch. 63, L. 1953; amd. Sec. 171, Ch. 310, L. 1974; R.C.M. 1947, 46-2602; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 6, Ch. 444, L. 1983.**

**81-2-503. Applications for licenses.** A person desiring to obtain a license to feed garbage to swine or other animals shall make a written application for the license to the department under the rules or orders prescribed by the department.

**History: En. Sec. 3, Ch. 63, L. 1953; amd. Sec. 172, Ch. 310, L. 1974; R.C.M. 1947, 46-2603.**

**81-2-504. Power to adopt rules.** The department shall administer and enforce this part and may adopt and enforce rules or orders necessary for the supervision, control, and inspection of persons who handle, prepare, cook, or otherwise treat garbage to feed to swine or other animals or who feed garbage to swine or other animals. The rules or orders shall apply to and govern the method of applying for a license, standards and methods of operation, sanitary conditions of premises where garbage is treated for feeding or fed, the control and inspection of equipment used to store, treat, or feed garbage, and equipment, including vehicles, used for the transportation of garbage.

**History: En. Sec. 4, Ch. 63, L. 1953; amd. Sec. 173, Ch. 310, L. 1974; R.C.M. 1947, 46-2604.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-2-505. Entry of premises for inspection — keeping of records.** (1) An authorized representative of the department may enter at reasonable times on private or public property to inspect and investigate conditions relating to the treating of garbage to be fed, or the feeding of garbage, to swine or other animals.

(2) An authorized representative of the department may examine records or memoranda pertaining to the treatment or feeding of garbage to swine or other animals. The department may require maintenance of records it considers necessary, relating to the operation of equipment for and procedure of treating or feeding garbage to swine or other animals, and may require copies of the records to be submitted to the department periodically.

**History: En. Sec. 5, Ch. 63, L. 1953; amd. Sec. 174, Ch. 310, L. 1974; R.C.M. 1947, 46-2605.**

**Cross-References**

Search and seizure, Art. II, sec. 11, Mont. Const.; Title 46, ch. 5.

**81-2-506. Power to administer oaths, subpoena witnesses, and receive evidence.** The department or its agent may administer oaths, subpoena witnesses, and receive evidence in order to carry out this part.

**History:** En. Sec. 8, Ch. 63, L. 1953; amd. Sec. 177, Ch. 310, L. 1974; R.C.M. 1947, 46-2608.

**Cross-References**

Oaths, Title 1, ch. 6.

Subpoenas in administrative proceedings, 2-4-104.

Subpoenas generally, Title 26, ch. 2, part 1.

**81-2-507. Power of department and board to restrain operation of garbage feeder.** (1) The department may restrain the operation of a licensed garbage feeder whose operation is carried on in violation of the laws of this state or the rules or orders of the department, after a hearing held on 5 days' written notice of the hearing to the licensee. The restraining order may be issued without notice of hearing where, in the discretion of the department, the violation constitutes a menace to public or animal health requiring immediate and summary abatement.

(2) The licensee may appeal to the district court on giving written notice of appeal to the restraining authority within 10 days after service of the restraining order, whether the order is made on hearing or summarily. The written notice of appeal does not stay execution of the restraining order when the restraining order is issued without hearing to restrain a menace to public health requiring immediate and summary abatement.

(3) Where the restraining order is issued after hearing, the hearing before the district court is on the record, together with additional evidence offered. Where the order is issued without hearing, the hearing before the district court shall be upon evidence offered before the court.

**History:** En. Sec. 6, Ch. 63, L. 1953; amd. Sec. 175, Ch. 310, L. 1974; R.C.M. 1947, 46-2606.

**Cross-References**

Provisions on injunctions, Title 27, ch. 19.

**81-2-508. Power to revoke license of garbage feeder.** The licenses to feed garbage to swine or other animals may be revoked at any time by the department when it determines that a person to whom the license is issued has failed to comply with the laws of this state or rules or orders of the department, and on a hearing before the department, after 10 days' written notice. An appeal to the district court stays execution of an order of the department revoking a license.

**History:** En. Sec. 7, Ch. 63, L. 1953; amd. Sec. 176, Ch. 310, L. 1974; R.C.M. 1947, 46-2607.

**Cross-References**

Contested case procedure, Title 2, ch. 4, part 6.

**81-2-509. Cooking or other treatment of garbage.** All garbage, regardless of previous processing, shall, before being fed to swine or other animals, be thoroughly heated to at least 212 degrees F for at least 30 minutes, unless treated in some other manner which is approved in writing by the department as being equally effective for the protection of public and animal health.

**History:** En. Sec. 9, Ch. 63, L. 1953; amd. Sec. 178, Ch. 310, L. 1974; R.C.M. 1947, 46-2609.

**81-2-510. Garbage originating on or removed from airplanes not to be treated or fed.** Garbage originating on or removed from airplanes landing in this state may not be treated for feeding or be fed to swine or other animals. The powers granted in 81-2-505 to the department to enter on private or public property for the purpose of inspecting and investigating conditions relating to the treating of garbage to be fed to swine or other animals or the feeding of garbage to swine or other animals include the inspection and investigation of garbage disposal methods employed at airports and all facilities at airports and aircraft.

**History: En. Sec. 10, Ch. 63, L. 1953; amd. Sec. 179, Ch. 310, L. 1974; R.C.M. 1947, 46-2610.**

**Cross-References**

Airport operations, Title 67, ch. 10, part 3.

**81-2-511. Penalties.** Any person who shall violate any of the provisions of or who fails to perform any duty imposed by this part shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than $50 or more than $250 or by imprisonment for a term of not more than 6 months or by both such fine and imprisonment. In addition thereto, such person may be enjoined from continuing such violation. Each day upon which such violation occurs shall constitute a separate violation.

**History: En. Sec. 11, Ch. 63, L. 1953; R.C.M. 1947, 46-2611.**

## Part 6

## Tuberculin Regulation

**81-2-601. Tuberculin — permission for sale or distribution of.** A person, firm, or corporation desiring to sell or distribute tuberculin for animal use in this state must first secure permission from the department.

**History: En. Sec. 1, Ch. 118, L. 1917; re-en. Sec. 3296, R.C.M. 1921; re-en. Sec. 3296, R.C.M. 1935; amd. Sec. 84, Ch. 310, L. 1974; R.C.M. 1947, 46-301.**

**81-2-602. Report of sales or distribution.** A person, firm, or corporation which has secured permission from the department to sell or distribute tuberculin for animal use in this state shall, on the same day it sells, furnishes, or supplies tuberculin, report in writing to the department the name and address of the person and a statement of the amount of tuberculin supplied to him.

**History: En. Sec. 2, Ch. 118, L. 1917; re-en. Sec. 3297, R.C.M. 1921; re-en. Sec. 3297, R.C.M. 1935; amd. Sec. 85, Ch. 310, L. 1974; R.C.M. 1947, 46-302.**

**81-2-603. Violation — penalty.** Any person, firm, or corporation violating any of the provisions of this part shall be guilty of a misdemeanor and punished by a fine of not less than $25 and not more than $500 or by imprisonment for not less than 30 days and not more than 90 days or both fine and imprisonment.

**History: En. Sec. 3, Ch. 118, L. 1917; re-en. Sec. 3298, R.C.M. 1921; re-en. Sec. 3298, R.C.M. 1935; R.C.M. 1947, 46-303.**

## Part 7

## Importation Permits and Health Certificates

**Part Cross-References**

How expenses paid — lien and foreclosure, 81-2-109.

Regulation of semen for artificial insemination, Title 81, ch. 2, part 4.

Cattle importation — brucellosis vaccination, 81-2-801.

Penalty for violation of brucellosis vaccination requirements, 81-2-805.

Inspection of imported livestock, 81-3-214.

Quarantine of diseased animals, 81-8-215.

**81-2-701. Short title.** This part may be cited as the "Animal Importation Permit and Health Certificate Act of 1981".

**History: En. Sec. 1, Ch. 65, L. 1981.**

**81-2-702. Definitions.** As used in this part, the following definitions apply:

(1) "Animals" means livestock, dogs, cats, rabbits, rodents, game animals, fur-bearing and wild animals, and poultry and other birds.

(2) "Biologics" means medicinal preparations made from living organisms and their products. It includes but is not limited to serums, vaccines, antigens, and antitoxins.

(3) "Department" means the department of livestock.

(4) "Health certificate" means a legible record written on an official health certificate form of the state of origin or on an equivalent form of the U.S. department of agriculture attesting that the animals, animal semen, or animal biologics described thereon have been visually inspected by a federally accredited veterinarian and found to meet the entry requirements of the state of Montana.

(5) "Livestock" means cattle, horses, mules, asses, sheep, llamas, bison, swine, and goats.

(6) "Permit" means an official document issued by the department after proper application that allows the movement of animals, animal semen, or animal biologics into Montana.

(7) "Poultry" means domesticated birds, including but not limited to chickens, turkeys, ducks, geese, guinea fowl, pigeons, and pheasants.

**History: En. Sec. 2, Ch. 65, L. 1981; amd. Sec. 1, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Added llamas and bison to definition of livestock. Amendment effective March 20, 1989.

**81-2-703. Documents required for importation — exemptions.** (1) Except as provided in subsection (6), no animal, animal semen, or animal biologic may be brought into the state without a permit and also a health certificate.

(2) The department shall issue a permit if no significant danger to the public health will ensue upon importation of the animal into the state. No permit may be issued for livestock infected with or exposed to brucellosis, tuberculosis, or any other infectious, contagious, or communicable animal disease, except that cattle with a positive reaction to a recognized test for brucellosis may be permitted entry when destined directly for slaughter at a slaughterhouse under United States department of agriculture supervision.

(3) The department may waive the requirement for a health certificate or a permit as provided in subsection (7).

(4) The requirements of subsection (1) apply regardless of species, breed, sex, class, age, point of origin, place of destination, or purpose of movement.

(5) All required documents must be attached to the waybill or be in possession of the driver of the transporting vehicle or of the person in charge of the animals. When a single permit or health certificate is issued for animals being moved in more than one vehicle, the driver of each vehicle shall have in his possession a copy of the permit and, where applicable, a health certificate.

(6) Animals, animal semen, or animal biologics being moved through the state with no intent to unload or deliver in the state are exempted from this part. In an emergency situation, such transitory cargo may be unloaded in compliance with the quarantine rules promulgated by the department.

(7) A waiver of the requirement for a health certificate or a permit shall be based upon evidence that there will be no significant danger to the public health if the exemption is granted.

**History: En. Sec. 3, Ch. 65, L. 1981; amd. Sec. 1, Ch. 44, L. 1983.**

**81-2-704. Quarantine for illegal entry — liability for expenses.** (1) Animals, animal semen, or animal biologics which enter the state of Montana without the required importation papers or in violation of any rules of the department shall be held in quarantine at the risk of the owner.

(2) The quarantine may be released only after the department has been satisfied, by appropriate means, that the animals, animal semen, or animal biologics under quarantine meet the requirements of law and the rules of the department.

(3) The owner of animals, animal semen, or animal biologics quarantined under this part is liable for all department expenses resulting from that quarantine except the expense of the salary of the supervising officer representing the department. Expenses include, but are not limited to, the expense of inspecting, testing, supervision of quarantine, supervision of dipping, supervision of disinfection, supervision of treatment, and laboratory testing.

**History: En. Sec. 4, Ch. 65, L. 1981.**

**81-2-705. Lien resulting from quarantine — foreclosure of lien.** (1) In accordance with the provisions of 81-2-109, the expenses of quarantine detailed in 81-2-704 are a lien on the animals, semen, or biologics and the department may retain possession of them until the charges and expenses are paid. The lien is dependent on possession and may be foreclosed in the name of the agent of the department by sale at public auction of the animals, semen, or biologics or as much of them as may be necessary to pay the expenses.

(2) Posting notice for 10 days at three public places in the county is required prior to auction. The lien may also be foreclosed by filing an action against the owner of the property to recover the amount of charges and expenses in a court of competent jurisdiction.

**History: En. Sec. 5, Ch. 65, L. 1981.**

**Cross-References**

Liens — general provisions, Title 71, ch. 3, part 1.

**81-2-706. Consignment requirements.** (1) All animals, animal semen, or animal biologics brought into Montana, other than transitory cargo, must be consigned to or in the care of a person, entity, or authorized agent of either located in Montana.

(2) The person, entity, or authorized agent must notify the department of its intent to receive any animals, animal semen, or animal biologics and is responsible for acquiring all required permits and ensuring that they are accompanied by all required health certificates.

(3) No person consigning, transporting, or receiving animals, animal semen, or animal biologics into Montana may authorize, order, or carry out any diversion of them or any portion thereof to a destination or consignee other than as set forth on the permit or health certificate without first obtaining written permission from the department.

**History:** **En. Sec. 6, Ch. 65, L. 1981.**

**Cross-References**

Administration of semen regulations by Department of Livestock, 81-2-402.

**81-2-707. Department rulemaking power.** The department may promulgate, administer, and enforce rules necessary to implement this part.

**History:** **En. Sec. 7, Ch. 65, L. 1981.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-2-708. Penalty.** A person convicted of violating this part shall be fined not more than $500, be imprisoned in the county jail for a term not to exceed 6 months, or both.

**History:** **En. Sec. 8, Ch. 65, L. 1981.**

## Part 8

## Vaccination

**81-2-801. Required brucellosis vaccination.** (1) Except as provided in subsections (2) and (3), no female cattle over the age of 4 months may be imported into the state of Montana for any purpose other than immediate slaughter unless they have been officially vaccinated, by a licensed veterinarian approved in his state to administer the vaccination, with a Brucella abortus vaccine approved by the veterinary biologics division, U.S. department of agriculture.

(2) Cattle being transported or moved through Montana with no intent to unload in the state are exempt from this section. In an emergency situation they may be unloaded in compliance with quarantine rules promulgated by the department of livestock pursuant to 81-2-102.

(3) Cattle which have been spayed are exempt from subsection (1).

**History:** **En. Sec. 1, Ch. 111, L. 1981.**

**Cross-References**

Health certificates — importation requirements, Title 81, ch. 2, part 7.

Inspection of imported livestock, 81-3-214.

Quarantine of diseased animals, 81-8-215.

**81-2-802 through 81-2-804 reserved.**

**81-2-805. Penalty.** A person convicted of violating this part shall be fined not more than $500, be imprisoned in the county jail for a term not to exceed 6 months, or both.

**History:** **En. Sec. 1, Ch. 10, L. 1985.**

# CHAPTER 3

# MARKS AND BRANDS

### Part 1 — Recording of Marks and Brands

81-3-101. Recorder of marks and brands.
81-3-102. Recording of brands required.
81-3-103. Application for recording — record of brands.
81-3-104. Designation of years for rerecording brands.
81-3-105. Right of owner of recorded brand.
81-3-106. Publication of notice of rerecording brands.
81-3-107. Fees for department.
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### Part 2 — Inspection of Marks and Brands

81-3-201. Definitions.
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81-3-206. Commissioners to designate places for loading livestock for inspection.
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81-3-211. Inspection of livestock before change of ownership or removal from county — transportation permits.
81-3-212. Exceptions.
81-3-213. Inspection of livestock removed from state.
81-3-214. Entry permit.
81-3-215. Inspection of dead animals in feedlots.
81-3-216. Repealed.
81-3-217 through 81-3-220 reserved.
81-3-221. Brands fraudulently changed.
81-3-222. Compensation for animals killed.
81-3-223. Action by dissatisfied owner — costs.
81-3-224 through 81-3-230 reserved.
81-3-231. Penalties.
81-3-232. Penalty for noninspection of dead animal in feedlot.
81-3-233. Penalty for removal of livestock from state without inspection — exception.

## Part 1

## Recording of Marks and Brands

**Part Cross-References**

Employment of stock inspector, 7-21-3211 through 7-21-3213.

Jurisdiction of patrol officers — criminal mischief, 44-1-1001.

Illegal branding or altering or obscuring a brand, 45-6-327.

**81-3-101. Recorder of marks and brands.** The department of livestock is the general recorder of marks and brands.

**History:** **En. Sec. 2940, Pol. C. 1895; re-en. Sec. 1790, Rev. C. 1907; re-en. Sec. 3299, R.C.M. 1921; re-en. Sec. 3299, R.C.M. 1935; amd. Sec. 89, Ch. 310, L. 1974; R.C.M. 1947, 46-601.**

**81-3-102. Recording of brands required.** It is unlawful for a person, firm, or corporation to artificially brand, mark, or cause to be artificially branded or marked any domestic animal or livestock running at large on the public domain or open range or which may run or stray at large or on the public domain or open range, unless the artificial brand or mark has been recorded or rerecorded with the department in the name of the person, firm, or corporation within the period of 10 years immediately preceding the branding or marking.

**History:** En. Sec. 1, Ch. 144, L. 1921; re-en. Sec. 3301, R.C.M. 1921; re-en. Sec. 3301, R.C.M. 1935; amd. Sec. 90, Ch. 310, L. 1974; R.C.M. 1947, 46-603.

**Cross-References**

Branding cattle running at large, 81-4-214.

Security interests concerning livestock, Title 81, ch. 8, part 3.

**81-3-103. Application for recording — record of brands.** (1) A person, firm, or corporation desiring to have recorded an artificial mark or brand for use in distinguishing or identifying the ownership of any domestic animal or livestock shall make application for the mark or brand to the department. The application must be in writing and must contain the name, residence, and post-office address of the applicant and the species of the animals on which the mark or brand is to be used. An applicant may apply for a seasonal mark or brand that is designated for use only for a specific period of time and that is subject to renewal upon termination of that period.

(2) The department shall designate for the applicant's use some practical form of mark or brand distinguishable with reasonable certainty from all other marks and brands recorded or rerecorded, within the period of 10 years immediately preceding the time of filing the application, in the name of some person, firm, or corporation other than the applicant. The department shall designate the position on the animals on which the mark or brand shall be placed and the species of animals on which the mark or brand may be used.

(3) The department shall keep a record in a book kept by it for that purpose of the particular mark or brand, the position on the animal where the mark or brand is to be used, the species of animals on which the mark or brand is to be used, and the date of recording. The record is a public record and is prima facie evidence of the facts recorded in it.

**History:** En. Sec. 2, Ch. 144, L. 1921; re-en. Sec. 3302, R.C.M. 1921; re-en. Sec. 3302, R.C.M. 1935; amd. Sec. 91, Ch. 310, L. 1974; R.C.M. 1947, 46-604; amd. Sec. 2, Ch. 166, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Inserted third sentence of (1) that read: "An applicant may apply for a seasonal mark or brand that is designated for use only for a specific period of time and that is subject to renewal upon termination of that period." Amendment effective March 20, 1989.

**Cross-References**

Public records, Title 2, ch. 6.

**81-3-104. Designation of years for rerecording brands.** Each 10th year after 1921 is the year for rerecording artificial marks and brands used to distinguish and identify the ownership of domestic animals and livestock. The department shall, on the application of a person, firm, or corporation or the transferee of the person, firm, or corporation made in a year which is a year for rerecording marks and brands, rerecord a mark or brand which at the time of the application stands of record in the department in the name of the person, firm, or corporation. A mark or brand which was not originally recorded or rerecorded in the name of the person, firm, or corporation during the rerecording year last preceding the date when the application is filed or originally recorded in the name of the person, firm, or corporation or his or its predecessor or predecessors in interest between the time of the application and the rerecording year last preceding the application is not of record in the department.

**History:** **En. Sec. 3, Ch. 144, L. 1921; re-en. Sec. 3303, R.C.M. 1921; re-en. Sec. 3303, R.C.M. 1935; amd. Sec. 92, Ch. 310, L. 1974; amd. Sec. 27, Ch. 12, L. 1977; R.C.M. 1947, 46-605.**

**81-3-105. Right of owner of recorded brand.** A person, firm, or corporation in whose name a mark or brand is recorded is entitled to the exclusive use of the mark or brand on the species of animal and in the position designated in the record. A copy of the record certified by the department is prima facie evidence of this right, and the certificate is also prima facie evidence that the person, firm, or corporation entitled to use the mark or brand is the owner of all animals on which it appears in the position and on the species of animal stated in the certificate.

**History:** **En. Sec. 4, Ch. 144, L. 1921; re-en. Sec. 3304, R.C.M. 1921; re-en. Sec. 3304, R.C.M. 1935; amd. Sec. 93, Ch. 310, L. 1974; R.C.M. 1947, 46-606.**

**81-3-106. Publication of notice of rerecording brands.** Between January 1 and June 30 in each rerecording year, the department shall publish in at least one issue of at least one newspaper of general circulation in each county of this state, in which a newspaper is published, a notice to the effect that the year is a year for rerecording marks and brands and that no mark or brand continues of record unless rerecorded. The department shall also mail to each person, firm, and corporation in whose name a mark or brand stands of record, a similar notice addressed to the person, firm, or corporation at his or its post-office address as shown by the records in the department.

**History:** **En. Sec. 5, Ch. 144, L. 1921; re-en. Sec. 3305, R.C.M. 1921; re-en. Sec. 3305, R.C.M. 1935; amd. Sec. 94, Ch. 310, L. 1974; R.C.M. 1947, 46-607.**

**81-3-107. Fees for department.** The department shall establish, charge and collect a fee for recording a new mark or brand, for recording a mark or brand transfer, or for rerecording a mark or brand. The department shall establish and charge a fee for providing a certified copy of a record and a duplicate certificate. The department may upon request research mark or brand histories and may charge a fee of up to $50 per mark or brand, based on time involved in research. All fees collected shall be paid into the state special revenue fund for the use of the department. However, not more than 10% of the net rerecording fees after all expenses of rerecording are paid may be expended in any one year except in case of an emergency declared by the governor.

**History:** **En. Sec. 7, Ch. 144, L. 1921; re-en. Sec. 3307, R.C.M. 1921; amd. Sec. 1, Ch. 14, L. 1929; re-en. Sec. 3307, R.C.M. 1935; amd. Sec. 1, Ch. 109, L. 1949; amd. Sec. 1, Ch. 65, L. 1959; amd. Sec. 90, Ch. 147, L. 1963; amd. Sec. 1, Ch. 13, L. 1969; amd. Sec. 95, Ch. 310, L. 1974; amd. Sec. 1, Ch. 10, L. 1977; R.C.M. 1947, 46-609; amd. Sec. 1, Ch. 34, L. 1983; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 7, Ch. 444, L. 1983.**

**Cross-References**

Employment of stock inspector, 7-21-3211 through 7-21-3213.

Jurisdiction of patrol officers — criminal mischief, 44-1-1001.

**81-3-108. Penalty.** Any person, firm, or corporation violating any provision of this part shall be deemed guilty of a misdemeanor and shall be punished by a fine of not exceeding $1,000 or imprisonment in the county jail for not to exceed 1 year or both such fine and imprisonment.

**History:** En. Sec. 6, Ch. 144, L. 1921; re-en. Sec. 3306, R.C.M. 1921; re-en. Sec. 3306, R.C.M. 1935; R.C.M. 1947, 46-608.

**Cross-References**

Penalty for branding at certain times, 81-4-214.

## Part 2

## Inspection of Marks and Brands

**Part Cross-References**

Special levies on commodities for livestock and commodity inspection, Art. XII, sec. 1, Mont. Const.

Employment of stock inspector, 7-21-3211 through 7-21-3213.

Illegal brand or alteration — penalty, 45-6-327.

Cancellation or suspension of livestock market certificate for violation of this part, 81-8-254.

Security interests concerning livestock, Title 81, ch. 8, part 3.

**81-3-201. Definitions.** Unless the context requires otherwise, in this part, the following definitions apply:

(1) "Deputy state stock inspector" means a person designated by the department as a deputy state stock inspector, who does not receive a salary or compensation from the department.

(2) "Feedlot" means a confined livestock feeding operation where the owner or operator of the feedlot feeds livestock belonging to others for a fee.

(3) "Livestock" means any bovine animal, horse, mule, or ass regardless of its age or sex.

(4) "Person" means an individual, partnership, corporation, association, or any entity not enumerated capable of owning or controlling livestock.

(5) "State stock inspector" means an employee of the department of livestock designated by the department as a state stock inspector.

**History:** (1), (3) thru (5)En. Sec. 103, Ch. 310, L. 1974; amd. Sec. 1, Ch. 41, L. 1977; Sec. 46-801.1, R.C.M. 1947; (2)En. Sec. 1, Ch. 32, L. 1974; Sec. 46-239.1, R.C.M. 1947; R.C.M. 1947, 46-239.1, 46-801.1; amd. Sec. 1, Ch. 298, L. 1979.

**Cross-References**

State stock inspector — hide dealers — slaughterhouses, 81-9-401.

**81-3-202. Rules.** The department may adopt rules necessary to carry out this part.

**History:** En. Sec. 2, Ch. 59, L. 1943; amd. Sec. 2, Ch. 184, L. 1953; amd. Sec. 2, Ch. 142, L. 1957; amd. Sec. 1, Ch. 35, L. 1969; amd. Sec. 2, Ch. 149, L. 1971; amd. Sec. 2, Ch. 247, L. 1973; amd. Sec. 106, Ch. 310, L. 1974; amd. Sec. 2, Ch. 312, L. 1977; R.C.M. 1947, 46-802(5).

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Authority of highway patrol officers to stop vehicles and determine rightful possession of livestock, 44-1-1004.

**81-3-203. Duties of state stock inspectors and deputy stock inspectors.** (1) State stock inspectors and deputy state stock inspectors, upon the application of the owner or the duly authorized agent of the owner of livestock, shall inspect the livestock which is intended for sale, removal, shipment, or slaughter at a licensed slaughter plant and issue a certificate of inspection therefor if it appears with reasonable certainty that the applicant is the owner of the livestock or has the lawful right to the possession thereof.

(2) The inspection shall include an examination of the livestock and all marks and brands thereon to identify ownership of the livestock. The certificate of inspection shall be made in triplicate and shall specify the date of inspection, the place of origin and place of destination of the shipment, the name and address of the owner of the livestock or of the applicant for inspection and the purchaser or transferee, if applicable, the class of the animal, the marks and brands, if any, upon the animal, and any other information upon the form of certificate as the department may from time to time require. One copy of the certificate shall be retained by the inspector, one copy shall be furnished by the inspector to the owner or shipper of the livestock, and one copy shall be filed by the inspector with the department within 5 days.

(3) If it appears with reasonable certainty that the applicant is the owner of the livestock or has the lawful right to the possession thereof, the state stock inspectors or deputy state stock inspectors, upon application of an owner or his agent of the livestock to be consigned and delivered directly to a licensed livestock market or licensed livestock slaughterhouse located in another county of the state or delivered directly to a shipping point duly approved by the department where a livestock inspector is available for inspection in an adjoining county, shall issue to the person a separate market consignment permit or transportation permit for each owner when the owner or owners or their duly authorized agents sign the permit certifying the brands, description, and destination of the livestock. The market consignment permit or transportation permit shall be made in triplicate, shall specify the date and time issued, the place of origin and place of destination of the shipment, the name and address of the owner of the livestock and the name and address of the person actually transporting the livestock if different than the owner, the kind of livestock, the marks and brands, if any, upon the livestock, a description of the vehicle or vehicles to be used to transport the livestock to include the license number of the vehicles, and any other information upon the form of permit as the department may from time to time require. Any permit so issued shall be good for shipment within 36 hours from date and time of issue; however, permits not used within this time limitation must be returned to the issuing officer to be canceled and to release the permittee from performance. One copy of the permit shall be retained by the inspector, one copy shall be filed by the inspector with the department within 5 days of the date of issue, and one copy shall be furnished by the inspector to the owner or shipper of the livestock, which copy of the permit shall accompany the shipment and be delivered to the state stock inspector at the livestock market or shipping point where the livestock is delivered.

(4) Upon application of an owner or his agent, when it appears with reasonable certainty that the applicant is the owner of the livestock or has lawful right to the possession thereof, a state stock inspector shall issue a transportation permit which will allow the movement of the livestock into an adjoining county to land owned or controlled by the owner or his agent for

purposes of grazing. The transportation permit shall state the breed, description, marks and brands, if any, head count, and description of land to and from which the livestock will be moved. The permit is valid as provided in 81-3-211(6)(d). A state stock inspector may enter the premises where livestock so moved have been transported and inspect any livestock moved under the transportation permit or any livestock commingled therewith.

(5) Any person transporting strays or livestock not lawfully under his control is guilty of a misdemeanor and punishable as provided in 81-3-231.

**History: En. Sec. 2, Ch. 59, L. 1943; amd. Sec. 2, Ch. 184, L. 1953; amd. Sec. 2, Ch. 142, L. 1957; amd. Sec. 1, Ch. 35, L. 1969; amd. Sec. 2, Ch. 149, L. 1971; amd. Sec. 2, Ch. 247, L. 1973; amd. Sec. 106, Ch. 310, L. 1974; amd. Sec. 2, Ch. 312, L. 1977; R.C.M. 1947, 46-802(1) thru (4); amd. Sec. 1, Ch. 235, L. 1979; amd. Sec. 3, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning of (3), before "upon application", deleted "or any sheriff or deputy sheriff" and in three places in last sentence, after "the inspector", deleted "or sheriff's office"; near end of first sentence of (4), before "adjoining", deleted "immediately" and at end of third sentence substituted "as provided in 81-3-211(6)(d)" for "for 6 months"; and made minor change in phraseology. Amendment effective March 20, 1989.

**Cross-References**

Authority of highway patrol officers to stop vehicles and determine rightful possession of livestock, 44-1-1004.

Disposition of carcass and hide of destroyed animals, 69-14-712.

Powers and duties of county livestock protective committee, 81-6-103.

**81-3-204. Seizure of livestock — retention of livestock — sale — disposal of proceeds.** (1) All state stock inspectors inspecting any livestock before or after shipment or removal from any county in this state, upon a change of ownership, or at the preslaughter inspection at a licensed slaughterhouse may inspect and seize either at the point of sale, shipment, destination, or slaughter or en route any livestock or proceeds thereof which the inspector believes is stolen or upon which brands have been altered or obliterated or which does not conform to the description contained on the tally sheet furnished by the shipper thereof or to the description contained in any certificate of inspection or release issued before shipment or removal of the livestock.

(2) Upon taking possession of livestock under this section, a state stock inspector may retain the livestock in his possession for 15 days to make further investigation relative to its ownership. A state stock inspector may either at once or at any time within 15 days sell the livestock at a licensed livestock market or in the open market for the best available price and remit the proceeds, less the cost of keeping and sale, to the department together with a full description of the livestock sold, giving marks and brands, if any, and a statement of the reason for the seizure and sale. The proceeds shall be deposited by the department with the state treasurer and credited to the department fund, where it is subject to claim by the owner of the livestock in the same manner and for the same length of time as is provided by law for the making of claims for moneys arising from the sale of stray stock.

**History: En. Sec. 3, Ch. 59, L. 1943; amd. Sec. 108, Ch. 147, L. 1963; amd. Sec. 3, Ch. 149, L. 1971; amd. Sec. 3, Ch. 247, L. 1973; amd. Sec. 107, Ch. 310, L. 1974; amd. Sec. 3, Ch. 482, L. 1977; R.C.M. 1947, 46-803; amd. Sec. 2, Ch. 235, L. 1979.**

**Cross-References**

Search and seizure, Art. II, sec. 11, Mont. Const.; Title 46, ch. 5.

**81-3-205. Fees for inspection and livestock transportation permits.** (1) For the service of inspection of all livestock except horses, mules, or asses before removal from a county or before change of ownership, the inspector making the inspections shall receive a fee established by the department for each head inspected. For the issuance of a market consignment permit or transportation permit (other than a permanent permit) before removal from a county for all livestock, the inspector issuing the permits shall receive a fee established by the department for each permit issued and shall receive in addition his necessary actual expenses, to be paid by the owner or the person for whom the inspection is made or permit issued. For the issuance of a permanent horse transportation permit, the state stock inspector taking the application for permit shall receive a fee established by the department for each permit issued. All inspection and permit fees and expenses shall be collected by the inspector at the time of inspection or issuance of permit, and all the fees and expenses collected by a deputy state stock inspector shall be retained by him, and all such fees and expenses collected by a state stock inspector shall be sent by him to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department.

(2) For the service of inspection before any livestock except a horse, mule, or ass is sold or offered for sale at a licensed livestock market or slaughtered at a licensed slaughterhouse, a state stock inspector or deputy state stock inspector making the inspection shall receive a fee established by the department for each head inspected. All fees shall be paid by the owner or by the person for whom the inspection is made. For releasing an animal so that it may be removed from the premises of a licensed livestock market, the state stock inspector making the release shall receive a fee established by the department for each head inspected from the owner or the person for whom the release is made. All fees for inspection and release at the market shall be collected at the time the inspection or release is made by the state stock inspector making the inspection or release and shall be sent by him to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department. All fees for preslaughter inspection made at a licensed slaughterhouse by the state stock inspector shall be paid to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department. Preslaughter inspection fees paid to a deputy state stock inspector shall be retained by him.

(3) (a) For the service of inspection of horses, mules, or asses before removal from a county or before change of ownership, the inspector making the inspection shall receive a fee established by the department for each head inspected and shall receive in addition his necessary actual expenses, to be paid by the owner or the person for whom the inspection is made. All fees and expenses collected by a state stock inspector must be sent by him to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department.

(b) For the service of inspection before a horse, mule, or ass is sold or offered for sale at a licensed livestock market, a state stock inspector making the inspection shall receive a fee established by the department for each head inspected. All fees shall be paid by the owner or the person for whom the inspection is made to the state stock inspector.

(4) All inspection and release fees and expenses shall be paid to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department unless paid to a deputy state stock inspector. State stock inspectors shall be paid for their services and receive their expenses as fixed by the department.

**History: En. Sec. 4, Ch. 59, L. 1943; amd. Sec. 1, Ch. 106, L. 1949; amd. Sec. 3, Ch. 184, L. 1953; amd. Sec. 3, Ch. 142, L. 1957; amd. Sec. 93, Ch. 147, L. 1963; amd. Sec. 4, Ch. 149, L. 1971; amd. Sec. 4, Ch. 247, L. 1973; amd. Sec. 108, Ch. 310, L. 1974; amd. Sec. 4, Ch. 482, L. 1977; R.C.M. 1947, 46-804; amd. Sec. 3, Ch. 235, L. 1979; amd. Sec. 2, Ch. 298, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 8, Ch. 444, L. 1983; amd. Sec. 4, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in second sentence and in two places in fourth sentence, deleted reference to Sheriff or Deputy Sheriff. Amendment effective March 20, 1989.

**81-3-206. Commissioners to designate places for loading livestock for inspection.** The board of county commissioners must, at the request of the department, designate within their respective counties certain convenient places and provide suitable facilities for unloading and loading of livestock for inspection purposes.

**History: En. Sec. 1, Ch. 74, L. 1939; amd. Sec. 1, Ch. 211, L. 1947; amd. Sec. 101, Ch. 310, L. 1974; R.C.M. 1947, 46-709.**

**81-3-207 through 81-3-209 reserved.**

**81-3-210. Bill of sale required to prove ownership.** (1) A bill of sale signed by the seller and adequately describing the livestock sold must be presented to the livestock inspector whenever the change of ownership inspection required by 81-3-211 is made or whenever a buyer of livestock requests a county-line or state-line inspection for livestock. The bill of sale shall be in a form prescribed by the department and shall be taken up by the department with the certificate of inspection acting as a receipt.

(2) The department shall establish, charge, and receive a fee for each copy of a bill of sale requested after the original bill of sale has been taken up. Fees so received shall be paid to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department.

**History: En. Sec. 1, Ch. 80, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 9, Ch. 444, L. 1983.**

**81-3-211. Inspection of livestock before change of ownership or removal from county — transportation permits.** (1) For the purposes of this section:

(a) "Members of the same family" means a group whose membership is determined by including an individual, his spouse, and his parents, children, grandchildren, and the spouses of each.

(b) "Family business entity" means:

(i) a corporation whose stock is owned solely by members of the same family;

(ii) a partnership in which the partners are all members of the same family;

(iii) an association whose members all are members of the same family; or

(iv) any other entity owned solely by members of the same family.

(c) "Rodeo producer" means a person who produces or furnishes livestock that is used for rodeo purposes.

(2) Except as otherwise provided in this part, it is unlawful to remove or cause to be removed from a county in this state any livestock or to transfer ownership by sale or otherwise or for an intended purchaser or his agent to take possession of any such animal subject to title passing upon meeting or satisfaction of any conditions, unless the livestock has been inspected for brands by a state stock inspector or deputy state stock inspector and a certificate of the inspection has been issued in connection with and for the purpose of the transportation or removal or of such change of ownership as provided in this part. The inspection must be made in daylight. However, the change of ownership inspection requirements of this subsection do not apply when the change of ownership transaction is accomplished without the livestock changing premises, involves part of a herd to which no livestock have been added other than by natural increase or after brand inspection, and is between:

(a) members of the same family;

(b) a member of one family and the same family's business entity; or

(c) the same family's business entities.

(3) (a) It is unlawful to sell or offer for sale at a livestock market any livestock originating within any county in this state in which a livestock market is maintained or transported under a market consignment permit until the livestock has been inspected for marks and brands by a state stock inspector, as provided in this part.

(b) It is unlawful to slaughter livestock at a licensed livestock slaughterhouse unless the livestock has been inspected for marks or brands by a state or deputy state stock inspector.

(4) It is unlawful to remove or cause to be removed any livestock from the premises of a livestock market in this state unless the livestock has been released by a state stock inspector and a certificate of release for the livestock has been issued in connection with and for the purpose of the removal from the premises of the livestock market. The release obtained pursuant to this subsection will permit the movement of the livestock so released directly to the destination shown on the certificate.

(5) The person in charge of livestock being removed from a county in this state, where inspection thereof is required by this section or where change of ownership has occurred or when moved under a market consignment permit or a market release certificate, shall have in his possession the certificate of inspection, market consignment permit, transportation permit, or market release certificate issued in connection therewith and shall exhibit the certificate to any sheriff, deputy sheriff, constable, highway patrol officer, state stock inspector, or deputy state stock inspector upon request. Section 81-3-204 shall be extended to livestock transported or sold under the abovementioned permits.

(6) The following transportation permits may be issued:

(a) If a saddle, work, or show horse is being transported from county to county in this state by the owner for his personal use or business or where a purebred cow is being transported from county to county in this state by its owner for show purposes and where there is no change of ownership, the inspection certificate required by this section may be endorsed, as to the purpose and extent of transportation, by the inspector issuing the certificate in order to serve as a travel permit in this state for a period not to exceed 1 year for the horse or cow described thereon. The permit becomes void upon any transfer of ownership or if the horse or cow is to be removed from the state. In such instances an inspection must be secured for removal and the endorsed certificate surrendered.

(b) The owner of a saddle, work, or show horse may apply for a permanent transportation permit valid for both interstate and intrastate transportation of the horse until there is a change of ownership. To obtain a permit a horse must have either a registered brand that has been legally cleared or a lip tattoo or the owner must present proof of ownership to a state stock inspector. A written application, on forms to be provided by the department, must be completed by the owner and presented to a state stock inspector, together with a permit fee established by the department, for each horse. The application shall contain a thorough physical description of the horse and list all brands and tattoos carried by the horse. Upon approval of the application by a state stock inspector, a permanent transportation permit shall be issued by the department to the owner for each horse, and such permit shall be valid for the life of the horse. If there is a change of ownership in a horse, the permit shall automatically become void. The permit must accompany the horse for which it was issued at all times while the horse is in transit. This permit shall be in lieu of other permits and certificates required under the provisions of this section. The state of Montana shall recognize as valid permanent transportation permits issued in other jurisdictions to the owner of a saddle, work, or show horse subsequently entering the state. Such a permit shall be automatically void upon a change of ownership.

(c) When livestock owned by and bearing the registered brand of a bona fide rodeo producer is being transported from county to county in this state by the owner for rodeo purposes and where there is no change of ownership, the inspection certificate required by this section may be endorsed, as to the purpose and extent of transportation, by the inspector issuing the certificate in order to serve as a travel permit in this state for the livestock described thereon. The certificate is effective for the calendar year for which it is issued. The certificate shall be issued by a state stock inspector.

(d) An owner of livestock or his agent may be issued a transportation permit allowing the movement of his livestock into an adjoining county and return when the livestock is being moved for grazing purposes and when it is being moved to and from land owned or controlled by the owner of the livestock or his agent. The permit is valid for the period from March 31 through November 30 of the calendar year in which it is issued and must be issued by a state stock inspector. The permit may be issued only if the livestock is branded with the permittee's brand, which must be registered in Montana. The department shall establish a fee for the permit, to be paid to the state stock inspector at the time the permit is issued and remitted by him to the department for deposit in the state treasury to the credit of the state special revenue fund for the use of the department. This permit may be used in lieu of the inspection and certificate required by this section for movement of livestock across a county line.

(7) Before any removal or change of ownership may take place, the seller of livestock shall request all required inspections and shall pay the required fees.

**History:** En. Sec. 1, Ch. 59, L. 1943; amd. Sec. 1, Ch. 176, L. 1945; amd. Sec. 1, Ch. 210, L. 1947; amd. Sec. 1, Ch. 110, L. 1949; amd. Sec. 1, Ch. 184, L. 1953; amd. Sec. 1, Ch. 142,

**L. 1957; amd. Sec. 1, Ch. 9, L. 1961; amd. Sec. 1, Ch. 54, L. 1969; amd. Sec. 1, Ch. 149, L. 1971; amd. Sec. 1, Ch. 247, L. 1973; Sec. 46-801, R.C.M. 1947; amd. and redes. 46-801.2 by Sec. 102, Ch. 310, L. 1974; amd. Sec. 1, Ch. 316, L. 1975; amd. Sec. 1, Ch. 312, L. 1977; amd. Sec. 1, Ch. 482, L. 1977; R.C.M. 1947, 46-801.2; amd. Sec. 1, Ch. 190, L. 1979; amd. Sec. 4, Ch. 235, L. 1979; amd. Sec. 1, Ch. 10, L. 1981; amd. Sec. 1, Ch. 364, L. 1981; amd. Sec. 1, Ch. 17, L. 1983; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 10, Ch. 444, L. 1983; amd. Sec. 5, Ch. 166, L. 1989; amd. Sec. 1, Ch. 217, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 166 in (1) inserted definition of rodeo producer; and in first sentence of (6)(d), before "adjoining", deleted "immediately", in second sentence, after "valid for", substituted "the period from March 31 through November 30 of the calendar year in which it is issued" for "6 months", and inserted third sentence that read: "The permit may be issued only if the livestock is branded with the permittee's brand, which must be registered in Montana." Amendment effective March 20, 1989.

Chapter 217 in (5) changed "patrolman" to "patrol officer".

**81-3-212. Exceptions.** Section 81-3-211 does not apply to livestock:

(1) being transported through the state in interstate commerce without leaving the custody of the carrier;

(2) when driven on the hoof and not moved by means of any motor vehicle, trailer, horse-drawn vehicle, or boat by the owner from one county to an adjoining county within the state onto land owned or controlled by the owner of livestock so moved for the purpose of pasturing, feeding, or changing the range thereof;

(3) when driven on the hoof or moved by means of a motor vehicle, trailer, horse-drawn vehicle, or boat by the owner from one county to an adjoining county within this state onto land owned or controlled by the owner of livestock without leaving land owned or controlled by the owner when moved for the purpose of pasturing, feeding, or changing the range thereof;

(4) when driven on the hoof from one county to an adjoining county within this state for the purpose of delivery to a licensed public market by a person who has been the owner of that livestock for a period of at least 3 months;

(5) from one county to be consigned to, and which actually reaches, a licensed livestock market located in another county of the state at which the department regularly maintains a stock inspector and for which a market consignment permit has been obtained in a manner provided by law;

(6) being transported to a veterinarian for health treatment and returned to their original premises if certification of treatment by the attending veterinarian accompanies the livestock on their return.

**History: En. 46-801.3 by Sec. 104, Ch. 310, L. 1974; R.C.M. 1947, 46-801.3; amd. Sec. 6, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (2) that read: "(2) transported by railroad consigned to and which, without leaving the custody of the carrier, does reach a market at which the department regularly maintains a stock inspector and a loading tally has been filed by the shipper with the carrier as provided in 81-4-607"; near beginning of (2) and (3), after "horse-drawn vehicle", deleted "railroad car"; in (4), after "purpose of", deleted "shipment by railroad or"; in (5), after "reaches", deleted "by means other than railroad"; deleted former (7) that read: "(7) when hauled by truck or trailer from one county to an adjoining county within the state for the purpose of shipment by railroad at which shipping point the department maintains a stock inspector or where a deputy state stock inspector is available and for which a transportation permit has been obtained in the manner provided by law"; inserted (6) relating to transportation of livestock to a veterinarian;

and made minor changes in phraseology. Amendment effective March 20, 1989.

**Cross-References**

Restriction on contractual time limitations for notification of injury to transported livestock, 69-14-216.

**81-3-213. Inspection of livestock removed from state.** Except as provided for in 81-3-212(1) and 81-3-211(4) and (6)(b), nothing contained in this part authorizes or permits a person to remove or cause to be removed livestock from this state to a location outside of this state unless the livestock has been inspected for brands by a state stock inspector or deputy state stock inspector and a certificate for the inspection has been issued in connection with and for the purpose of the transportation or removal as provided in this part.

**History: En. 46-801.4 by Sec. 105, Ch. 310, L. 1974; amd. Sec. 2, Ch. 482, L. 1977; R.C.M. 1947, 46-801.4; amd. Sec. 5, Ch. 235, L. 1979; amd. Sec. 7, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning deleted reference to 81-3-212(2); and made minor changes in punctuation and style. Amendment effective March 20, 1989.

**81-3-214. Entry permit.** A transportation permit for the entry of livestock into Montana must be obtained by the owner or his agent from a state stock inspector prior to the entry of the livestock into Montana. The department shall establish a fee for the permit, to be remitted by the department to the state treasury for credit to the state special revenue account of the department. The department shall provide by rule for the issuance and control of transportation permits authorized by this section.

**History: En. 46-801.5 by Sec. 2, Ch. 41, L. 1977; R.C.M. 1947, 46-801.5; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 11, Ch. 444, L. 1983; amd. Sec. 8, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1), (2), and part of (3) that read: "(1) Except as provided in subsections (2) and (3) of this section, any person owning livestock imported into this state or his agent must notify the department or a salaried employee of the department of the number, breed, type, and age of the livestock, its location, and the purpose for which it has been brought into the state. Such notification shall be made within 48 hours after the arrival of the livestock in the state. Livestock so moved may not be commingled with any livestock already in Montana until inspected for brands and marks in daylight by a state stock inspector or deputy state stock inspector. The fees for this inspection shall be the same as those imposed for county-line or change-of-ownership inspections. The fees paid to state stock inspectors shall be remitted to the department for deposit in the state special revenue fund for the use of the department.

(2) Livestock consigned to a licensed livestock market or for immediate slaughter to a licensed slaughter facility at which preslaughter inspection is maintained is exempt from the requirements of this section.

(3) Livestock moved between Montana and an adjacent state for graze on a regular basis and as part of the usual operation of a farm or ranch shall be exempt from the notice and inspection requirements of this section, provided a"; near beginning substituted "must be" for "has been" and at end substituted "section" for "subsection"; and made minor changes in phraseology. Amendment effective March 20, 1989.

**81-3-215. Inspection of dead animals in feedlots.** When a stock animal dies in a feedlot, the feedlot operator shall notify the board of livestock or its representative of the death. The operator may not dispose of the carcass until a livestock inspector has observed it and determined the brand of the owner of the animal. A livestock inspector observing a dead stock animal pursuant to this section shall, within 48 hours, send written notification to the owner of the animal.

**History: En. Sec. 2, Ch. 32, L. 1974; R.C.M. 1947, 46-239.2.**

**81-3-216. Repealed.** Sec. 29, Ch. 444, L. 1983.

**History:** En. Sec. 1, Ch. 162, L. 1979.

### 81-3-217 through 81-3-220 reserved.

**81-3-221. Brands fraudulently changed.** Whenever a mark or brand upon any neat cattle, horse, or other animal has been fraudulently altered, obliterated, or defaced so that the original mark or brand cannot be determined through the external inspection thereof, any stock inspector or sheriff may seize and kill the animal to ascertain the mark or brand so altered or defaced. Payment equal to the fair market value of the live animal shall be made after proper ownership is determined.

**History:** En. Sec. 2974, Pol. C. 1895; re-en. Sec. 1801, Rev. C. 1907; re-en. Sec. 3314, R.C.M. 1921; re-en. Sec. 3314, R.C.M. 1935; amd. Sec. 1, Ch. 15, L. 1977; R.C.M. 1947, 46-706.

**81-3-222. Compensation for animals killed.** The value of the animal taken and killed shall be determined by three disinterested parties living in the vicinity where the animal is seized. The amount of money awarded to the owner is full compensation for the loss of the animal. All money disbursed under this section shall be paid out of the department's funds in the state special revenue fund, and whenever possible the dead bodies of the animals killed shall be disposed of for cash and the proceeds turned into the fund.

**History:** En. Sec. 2975, Pol. C. 1895; re-en. Sec. 1802, Rev. C. 1907; re-en. Sec. 3315, R.C.M. 1921; re-en. Sec. 3315, R.C.M. 1935; amd. Sec. 92, Ch. 147, L. 1963; amd. Sec. 100, Ch. 310, L. 1974; R.C.M. 1947, 46-707; amd. Sec. 1, Ch. 277, L. 1983.

**81-3-223. Action by dissatisfied owner — costs.** Should the owner of the animal so seized and killed feel dissatisfied with the valuation made, he may maintain an action against the department or, if the animal is seized by a sheriff, against that sheriff's county, and should he fail to recover damages in any greater amount than that allowed under 81-3-222, he shall bear all costs that may be incurred in the maintenance of the action.

**History:** En. Sec. 2976, Pol. C. 1895; re-en. Sec. 1803, Rev. C. 1907; re-en. Sec. 3316, R.C.M. 1921; re-en. Sec. 3316, R.C.M. 1935; amd. Sec. 2, Ch. 15, L. 1977; R.C.M. 1947, 46-708.

### 81-3-224 through 81-3-230 reserved.

**81-3-231. Penalties.** (1) A person is guilty of a misdemeanor and is punishable as provided in subsection (5) of this section if he removes livestock or causes livestock to be removed from a county in this state:

(a) without having the livestock inspected before removal if an inspection is required by law;

(b) without obtaining a market consignment permit or transportation permit if the permits are required by law;

(c) and does obtain a market consignment permit for livestock but does not deliver the livestock transported thereunder to the livestock market designated in the market consignment permit;

(d) and does obtain a transportation permit for the livestock but does not deliver the livestock transported thereunder to the destination as shown on the transportation permit and fails to have the livestock so transported inspected at the point of destination.

(2) A person who sells livestock or offers livestock for sale at a livestock market without having the livestock inspected or removes livestock or causes livestock to be removed from a livestock market without obtaining a release is guilty of a misdemeanor and is punishable as provided in subsection (5) of this section.

(3) A person who has in his charge livestock being removed from a county in the state for which an inspection certificate, a market consignment permit, a transportation permit, or a market release certificate has been issued and fails to have in his possession accompanying the livestock the inspection certificate, market consignment permit, transportation permit, or market release certificate as issued for the livestock, or who, having the certificate of inspection, market consignment permit, transportation permit, or market release certificate, fails to exhibit it to a sheriff, deputy sheriff, constable, highway patrol officer, state stock inspector, or deputy state stock inspector at his request is guilty of a misdemeanor and is punishable as provided in subsection (5) of this section.

(4) Except as specifically otherwise provided, a person violating any of the provisions of this part is guilty of a misdemeanor and is punishable as provided in subsection (5) of this section.

(5) Upon conviction under this section, a person, firm, association, or corporation shall be fined not less than $50 or more than $500 or imprisoned in the county jail for a period of not more than 6 months or both fined and imprisoned. Of all fines assessed and collected under this section, except those assessed and collected in a justice's court, 50% shall be paid into the state treasury and credited to the state special revenue fund for the use of the department and 50% shall be paid into the general fund of the county in which the conviction occurred.

**History: En. Sec. 6, Ch. 59, L. 1943; amd. Sec. 4, Ch. 184, L. 1953; amd. Sec. 4, Ch. 142, L. 1957; amd. Sec. 94, Ch. 147, L. 1963; amd. Sec. 109, Ch. 310, L. 1974; amd. Sec. 5, Ch. 482, L. 1977; R.C.M. 1947, 46-806; amd. Sec. 2, Ch. 14, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 1, Ch. 9, L. 1985; amd. Sec. 53, Ch. 557, L. 1987; amd. Sec. 9, Ch. 166, L. 1989; amd. Sec. 1, Ch. 217, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 166 at end of (1)(d) deleted "or does not file a loading tally with the carrier as provided in 81-4-607"; deleted former (3) that read: "(3) A person who ships by railroad carrier and the railroad carrier transporting livestock for which a loading tally has been filed as provided by 81-4-607 and for which shipment of livestock an inspection has not been made which after shipment causes or permits the livestock to leave the custody of the railroad carrier at a place other than where this state regularly maintains a stock inspector is guilty of a misdemeanor and is punishable as provided in subsection (6) of this section"; in three places in (3) inserted "transportation permit" and near end, after "constable", deleted "gross vehicle weight enforcement officer"; and corrected internal references. Amendment effective March 20, 1989.

Chapter 217 in (3) changed "patrolman" to "patrol officer".

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

**81-3-232. Penalty for noninspection of dead animal in feedlot.** A feedlot operator who violates 81-3-215 is guilty of a misdemeanor and on conviction shall be subject to imprisonment for not more than 6 months or a fine of not more than $500, or both.

**History: En. Sec. 3, Ch. 32, L. 1974; R.C.M. 1947, 46-239.3.**

**81-3-233. Penalty for removal of livestock from state without inspection — exception.** Any person, other than the owner or his agent or employee, who, without consent of the owner, removes or causes to be removed from this state any cow, ox, bull, stag, calf, steer, heifer, horse, mule, mare, colt, foal, or filly without having the same inspected where such inspection is required by law is guilty of a felony and shall be punished by a fine of not more than $2,000, by imprisonment in the state prison for a term of not more than 3 years, or by both such fine and imprisonment. The provisions of this section do not apply to any person who removes from this state any animal specified by this section for the purpose of obtaining emergency treatment for such animal by a licensed veterinarian.

**History: En. Sec. 1, Ch. 173, L. 1961; amd. Sec. 28, Ch. 12, L. 1977; R.C.M. 1947, 46-808.**

# CHAPTER 4

# CONTAINMENT OF LIVESTOCK

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81-4-308. Retrieval of impounded animals a misdemeanor — penalty.

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81-4-508. Claim of owner — cost of keeping and feeding horses.
81-4-509. Proof of ownership — payment of taxes and penalties — decision of commissioners on claim.
81-4-510. Notice of sale of abandoned horses — form — time of sale — title.
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## Part 1

## Fences

**81-4-101. Legal fences defined.** Any one of the following, if not less than 44 inches or more than 48 inches in height, shall be a legal fence in the state of Montana:

(1) all fences constructed of at least three barbed, horizontal, well-stretched wires, the lowest of which must not be less than 15 inches or more than 18 inches from the ground, securely fastened as nearly equidistant as possible to substantial posts firmly set in the ground or to well-supported leaning posts not exceeding 20 feet apart or 33 feet apart where two or more stays or pickets are used equidistant between posts. All corral fences which are used exclusively for the purposes of enclosing stacks which are situated outside of any lawful enclosure shall not be less than 16 feet from such stack so enclosed and shall be substantially built with posts not more than 8 feet distant from each other and not less than five strands of well-stretched barbed wire and shall not be less than 5 or more than 6 feet high. Any kind of a fence equally as effectual for the purpose of a corral fence may be made in lieu thereof.

(2) all fences constructed of any standard woven wire not less than 28 inches in height, securely fastened to substantial posts not more than 30 feet apart, provided that two equidistant barbed wires shall be placed above the same at a height of not less than 48 inches from the ground;

(3) all other fences made of barbed wire, which shall be as strong and as well calculated to protect enclosures as those above described;

(4) all fences consisting of four boards, rails, or poles with standing or leaning posts not over 17 feet and 6 inches apart, provided that, if leaning posts are used, there shall be a pole or wire fastened securely on the inside of the leg or support of such leaning post;

(5) all rivers, hedges, mountain ridges and bluffs, or other barriers over or through which it is impossible for stock to pass.

**History: En. Sec. 1, p. 46, L. 1881; amd. Sec. 1, p. 76, L. 1885; amd. Sec. 1111, 5th Div. Comp. Stat. 1887; amd. Sec. 3250, Pol. C. 1895; amd. Sec. 1, p. 139, L. 1901; amd. Sec. 1, Ch. 37, L. 1905; amd. Sec. 1, Ch. 64, L. 1913; amd. Sec. 1, Ch. 163, L. 1919; re-en. Sec. 3374, R.C.M. 1921; re-en. Sec. 3374, R.C.M. 1935; R.C.M. 1947, 46-1401.**

**Cross-References**

Regulation of stable location, 7-21-4204.

Failure to close gates — criminal mischief, 45-6-101.

Mutual obligation of adjoining landowners, 70-16-205.

Fence-out requirement, 76-16-322.

Liability of stockowners for trespass, 81-4-215.

**81-4-102. Construction of auto pass not to deprive legal fence of character.** There may be maintained in a legal fence a pass so constructed that automobiles and trucks may pass over the same and which will prevent the passage of livestock across said opening without depriving such fence of the character of a legal fence under the laws of this state.

**History: En. Sec. 3, Ch. 153, L. 1933; re-en. Sec. 4486.3, R.C.M. 1935; R.C.M. 1947, 16-1129.**

**81-4-103. Civil liability.** Any person constructing or maintaining any fence of any kind not described in 81-4-101 is liable in a civil action for all damages caused by reason of injury to stock resulting from such defective fence.

**History:** En. Secs. 1112 to 1120, 5th Div. Comp. Stat. 1887; re-en. Sec. 3251, Pol. C. 1895; re-en. Sec. 2083, Rev. C. 1907; re-en. Sec. 3375, R.C.M. 1921; re-en. Sec. 3375, R.C.M. 1935; R.C.M. 1947, 46-1402.

**81-4-104. Barbed wire fences to be kept in repair.** The owners of barbed wire fences must keep the same in repair, and any person receiving notice in writing that his barbed wire fence or any part thereof is down or in such condition as to be likely to injure any livestock and fails or refuses to repair such fence is liable to pay damages in an amount equal to the value of any cattle, horses, mules, or other domestic animals which may be injured by coming into contact with the fence.

**History:** En. Secs. 1112 to 1120, 5th Div. Comp. Stat. 1887; re-en. Sec. 3252, Pol. C. 1895; re-en. Sec. 2084, Rev. C. 1907; re-en. Sec. 3376, R.C.M. 1921; re-en. Sec. 3376, R.C.M. 1935; R.C.M. 1947, 46-1403.

**81-4-105. Fallen wire fencing declared nuisance — abatement.** All barbed wire and other wire fencing which has sagged or fallen to the ground so as to be ineffectual for the purpose of turning stock and a menace to any person riding or walking over the same is declared to be a public nuisance and subject to abatement in the manner hereinafter provided.

**History:** En. Sec. 1, Ch. 84, L. 1927; re-en. Sec. 3376.1, R.C.M. 1935; R.C.M. 1947, 46-1404.

**Cross-References**

Public nuisances, Title 27, ch. 30, part 2.

Action to abate a public nuisance, 45-8-112.

**81-4-106. Notice to owner to repair fence — duty of county commissioners.** Upon ascertaining the existence in the county of any nuisance specified in 81-4-105, the board of county commissioners shall notify by registered or certified mail the owner of such wire, if such owner be known to said board and within the state, to remove same. If such owner shall fail to remove said wire or to rebuild said fence within 60 days following receipt of said notice, the board of county commissioners shall have authority to remove and dispose of said wire in the manner provided by 81-4-107.

**History:** En. Sec. 2, Ch. 84, L. 1927; re-en. Sec. 3376.2, R.C.M. 1935; R.C.M. 1947, 46-1405.

**81-4-107. Procedure when owner unknown or not resident of state — sale of wire removed.** If there is no known owner of such wire within the state or if such owner is unknown to the board of county commissioners, the board may collect and remove the wire at the expense of the county. All such wire or other fencing as in the opinion of the board of county commissioners can be sold at a price sufficient to cover at least the expense of removal and sale shall be sold by the county commissioners in the manner provided by law for the sale of county property, except that notice of such sale need be published only once and need be given only 10 days before such sale.

**History:** En. Sec. 3, Ch. 84, L. 1927; re-en. Sec. 3376.3, R.C.M. 1935; amd. Sec. 50, Ch. 12, L. 1977; R.C.M. 1947, 46-1406.

**Cross-References**

Manner of sale of county property, Title 7, ch. 8, part 22.

**81-4-108. Disposal of proceeds of sale of wire after payment of expense.** The proceeds of such sale shall be used to defray the cost of collecting and selling said wire, and the balance, if any, shall be placed by the county treasurer in a special fund and shall be held by him subject to claim by any person establishing to the satisfaction of the board of county commissioners that he was the lawful owner of said wire and entitled to the remaining proceeds of such sale. If no person claims said money within 1 year of the date of sale, the same shall be deposited in the general fund of the county.

**History:** En. Sec. 4, Ch. 84, L. 1927; re-en. Sec. 3376.4, R.C.M. 1935; R.C.M. 1947, 46-1407.

## Part 2

## Animals Unlawfully Running at Large

**Part Cross-References**

Grazing of livestock on highways, Title 60, ch. 7, part 2.

**81-4-201. Swine, sheep, llamas, bison, and goats running at large.** It is unlawful for any owner or person in control of swine, sheep, llamas, bison, or goats to willfully permit the same to run at large.

**History:** En. Sec. 1165, Pen. C. 1895; re-en. Sec. 8838, Rev. C. 1907; re-en. Sec. 3393, R.C.M. 1921; re-en. Sec. 3393, R.C.M. 1935; amd. Sec. 1, Ch. 169, L. 1945; R.C.M. 1947, 46-1704; amd. Sec. 10, Ch. 166, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Inserted reference to llamas and bison; and made minor change in phraseology. Amendment effective March 20, 1989.

**81-4-202. Penalties.** (1) Any person violating 81-4-201 shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in the sum of $10 for the first offense and in the sum of $20 for each subsequent offense and shall be liable in damage to any party injured thereby, to be recovered in any court having competent jurisdiction.

(2) All fines collected under the provisions of this section, except those collected in a justice's court, shall be paid into the county treasury for the use and benefit of the public schools.

**History:** (1)En. Sec. 1166, Pen. C. 1895; re-en. Sec. 8839, Rev. C. 1907; re-en. Sec. 3394, R.C.M. 1921; re-en. Sec. 3394, R.C.M. 1935; Sec. 46-1705, R.C.M. 1947; (2)En. Sec. 1167, Pen. C. 1895; re-en. Sec. 8840, Rev. C. 1907; re-en. Sec. 3395, R.C.M. 1921; re-en. Sec. 3395, R.C.M. 1935; Sec. 46-1706, R.C.M. 1947; R.C.M. 1947, 46-1705, 46-1706; amd. Sec. 54, Ch. 557, L. 1987.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

**81-4-203. Open range defined.** In 81-4-204, 81-4-207, and 81-4-208, the term "open range" means all lands in the state of Montana not enclosed by a fence of not less than two wires in good repair. The term "open range" includes all highways outside of private enclosures and used by the public whether or not the same have been formally dedicated to the public.

**History:** En. Sec. 1, Ch. 63, L. 1925; amd. Sec. 1, Ch. 85, L. 1931; re-en. Sec. 3400.1, R.C.M. 1935; R.C.M. 1947, 46-1707(part).

**Cross-References**

Fencing of open range, Title 60, ch. 7, part 1.

**81-4-204. Male equine animals not to run on open range.** It shall be unlawful for any owner, person, firm, corporation, or association having the management or control of any stallion, ridgeling, unaltered male mule, or jackass over the age of 1 year to permit or suffer such animal to run at large on the open range.

**History:** En. Sec. 1, Ch. 63, L. 1925; amd. Sec. 1, Ch. 85, L. 1931; re-en. Sec. 3400.1, R.C.M. 1935; R.C.M. 1947, 46-1707(part).

**81-4-205. Male equine animals running at large as nuisance — abatement.** Any such animal so running at large is a public nuisance, which, in addition to the means and proceedings prescribed by this part for its abatement and removal, may be abated and removed by the means and proceedings provided by law for the abatement or removal of public nuisances.

**History:** En. Sec. 2, Ch. 63, L. 1925; amd. Sec. 2, Ch. 85, L. 1931; re-en. Sec. 3400.2, R.C.M. 1935; amd. Sec. 52, Ch. 12, L. 1977; R.C.M. 1947, 46-1708.

**Cross-References**

Public nuisances, Title 27, ch. 30, part 2.

Procedure for abatement and removal of public nuisances, 45-8-112.

**81-4-206. Killing animal to prevent injury not prohibited.** Sections 81-4-203 through 81-4-209 are not intended and shall not be interpreted or understood to limit or deny the right now existing to destroy or kill any such animal to prevent injury by it to any person or property.

**History:** En. Sec. 5, Ch. 63, L. 1925; amd. Sec. 5, Ch. 85, L. 1931; re-en. Sec. 3400.5, R.C.M. 1935; R.C.M. 1947, 46-1711.

**81-4-207. Castration of animals running at large — notice to owner — expense and charges.** (1) Any person may take up and secure any such animal found running at large on the open range. After taking it up he shall, without unnecessary delay, post at the United States post office or as near as may be to the place where the animal was taken up a notice truly dated and subscribed by him or his agent to the effect that the animal, describing it by marks and brands (if any), color, and sex, was taken up on the day named while it was running at large on the open range in the county (naming the county) and that, unless claimed and removed within 5 days next after the date of the posting, the animal will be castrated at the expense of the owner thereof. Should the owner, person, firm, corporation, or association having management or control of such animal be known to the person who took the animal up, personal service of such notice upon the owner, person, firm, corporation, or association having management or control of the animal shall be the equivalent to the posting. The notice, if personally served, may state that, unless the animal is claimed and removed within 2 days next after the date of the notice served personally, the animal will be castrated at the expense of the owner thereof.

(2) If such animal so taken up be not claimed and removed within said 5 days or said 2 days, as the case may be, it may lawfully be castrated in the usual manner and doing no more harm than is necessary. The expense of castration shall be paid by the owner. If such animal be claimed within the time herein prescribed, the claimant shall pay to the person who took the animal up the reasonable expense of the keeping and feed thereof since it was taken

up and also the sum of $5 for the taking up and giving of the notice aforementioned. Upon making such payments the claimant shall immediately remove and take away said animal.

**History:** En. Sec. 3, Ch. 63, L. 1925; amd. Sec. 3, Ch. 85, L. 1931; re-en. Sec. 3400.3, R.C.M. 1935; R.C.M. 1947, 46-1709.

**81-4-208. Killing of animal running at large — notice — posting and service.** (1) If any such animal so running at large cannot, by reasonable effort, be captured, taken up, or corralled, it may lawfully be killed unless the owner or person having the management or control of it shall take the animal off the open range and restrain it from running at large thereon within 10 days next after the giving of notice as hereinafter provided. The notice shall be signed by one or more taxpayers of the vicinity of the range whereon such animal be at large and be substantially as follows:

"To whom it may concern:

Take notice, that a certain (stallion, ridgeling, unaltered male mule, or jackass, as the case may be) is running at large on the open range (identify the range by general description) in .... County, Montana. Unless said animal be removed therefrom and restrained from running at large on open range, within 10 days next after the date of this notice, it will be killed.

(Date) (Signature or signatures)"

(2) The notice shall be posted at the post office nearest the place where the animal was last seen on the range and like notices in two other of the most public places in the vicinity of said range, and like notice shall at once be mailed to the owner or person having management or control of the animal, if his name and address be known.

**History:** En. Sec. 4, Ch. 63, L. 1925; amd. Sec. 4, Ch. 85, L. 1931; re-en. Sec. 3400.4, R.C.M. 1935; R.C.M. 1947, 46-1710.

**81-4-209. Penalty for violations.** Any owner, person, firm, corporation, or association violating any provisions of 81-4-203 through 81-4-209 shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than $10 or more than $25.

**History:** En. Sec. 6, Ch. 63, L. 1925; amd. Sec. 6, Ch. 85, L. 1931; re-en. Sec. 3400.6, R.C.M. 1935; R.C.M. 1947, 46-1712.

**81-4-210. Only purebred bulls to run at large — limitation on time.** It shall be unlawful for any person or persons, firm, company, or corporation to turn upon or allow to run at large on the public highways, open range, or national forest reserve within the state of Montana any bull other than a purebred bull of a recognized beef type; and no bull shall be turned upon or allowed to run at large upon any such public highways, open range, or national forest reserve between December 1 and June 1 of each and every year.

**History:** En. Sec. 1, Ch. 62, L. 1917; amd. Sec. 1, Ch. 42, L. 1919; re-en. Sec. 3403, R.C.M. 1921; amd. Sec. 1, Ch. 53, L. 1925; re-en. Sec. 3403, R.C.M. 1935; amd. Sec. 1, Ch. 46, L. 1943; R.C.M. 1947, 46-1716.

**81-4-211. Female breeding cattle, purebred bull to accompany.** (1) Any person, persons, firm, company, or corporation allowing or permitting female breeding cattle to run at large upon the public ranges or national forest reserves in the state of Montana must place upon the range or national forest reserve one purebred graded bull of a recognized beef type, not less than 15 months or more than 8 years of age, for every 30 head of female breeding cattle pastured upon such range or national forest reserve. Any two or more such users of the public range or national forest reserve may join together in furnishing such bull when the aggregate number of female breeding cattle turned loose upon the same range or national forest reserve by such two or more users thereof does not exceed 30 head.

(2) A purebred bull as contemplated by 81-4-210 through 81-4-213 must be a bull having a registration certificate from the breeding association of its particular breed. A graded bull, as defined in 81-4-210 through 81-4-213, shall be a purebred bull selected by a committee of permittees.

**History: En. Sec. 2, Ch. 62, L. 1917; amd. Sec. 1, Ch. 42, L. 1919; re-en. Sec. 3404, R.C.M. 1921; re-en. Sec. 3404, R.C.M. 1935; amd. Sec. 1, Ch. 40, L. 1957; amd. Sec. 53, Ch. 12, L. 1977; R.C.M. 1947, 46-1717.**

**81-4-212. Castration of violating bulls.** Any bull found running at large on the open range or national forest reserve in violation of the provisions of 81-4-210 through 81-4-213 may be caught and castrated by any person finding such a bull, provided any purebred dairy bull found running at large may be taken up and the party holding the bull shall notify the owner in person, and if the owner of such bull does not take possession of said bull within 24 hours after being notified, the party holding such bull may castrate him.

**History: En. Sec. 4, Ch. 62, L. 1917; amd. Sec. 1, Ch. 42, L. 1919; re-en. Sec. 3406, R.C.M. 1921; re-en. Sec. 3406, R.C.M. 1935; R.C.M. 1947, 46-1719.**

**81-4-213. Penalty.** Any person or persons, firm, company, or corporation violating any of the provisions of 81-4-210 through 81-4-213 shall be guilty of a misdemeanor and punishable by a fine of not less than $25 or more than $250.

**History: En. Sec. 3, Ch. 62, L. 1917; amd. Sec. 1, Ch. 42, L. 1919; re-en. Sec. 3405, R.C.M. 1921; re-en. Sec. 3405, R.C.M. 1935; R.C.M. 1947, 46-1718.**

**81-4-214. Branding animals running at large — running irons prohibited.** Every person except an owner, and he only when branding on his own premises and in the presence of two responsible citizens, who marks or brands any calf or cattle that are running at large between December 1 and May 10 of the next ensuing year and every person who shall at any time brand or cause to be branded or marked any horse, mule, cattle or head of cattle, sheep, llama, bison, swine, or other animal, 1 year old or older, with any piece of metal or implement, other than a branding iron, which branding iron shall be of the same design as the brand or mark owned by the party using it, or who shall so mark or brand or cause to be marked or branded any of the animals aforesaid with any piece or pieces of iron called "running irons", such as bars, rings, half or quarter circles, is punishable by imprisonment in the county jail for not exceeding 6 months or by a fine of not less than $25 or more than $500, or both.

**History: En. Sec. 1189, Pen. C. 1895; re-en. Sec. 8863, Rev. C. 1907; re-en. Sec. 11553, R.C.M. 1921; re-en. Sec. 11553, R.C.M. 1935; Sec. 94-3522, R.C.M. 1947; redes. 46-1720 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 46-1720; amd. Sec. 11, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle inserted "llama, bison"; and made minor changes in grammar and phraseology. Amendment effective March 20, 1989.

**Cross-References**

Illegal branding or altering or obscuring a brand, 45-6-327.

Recording of brands required, 81-3-102.

**81-4-215. Liability of owners of stock for trespass.** If any cattle, horses, mules, asses, hogs, sheep, llamas, bison, or other domestic animals break into any enclosure, the fence being legal as provided in 81-4-101, the owner of such animals is liable for all damages to the owner or occupant of the enclosure which may be sustained thereby. This section must not be construed so as to require a legal fence in order to maintain an action for injury done by animals running at large contrary to law.

**History:** En. Sec. 1119, 5th Div. Comp. Stat. 1887; re-en. Sec. 3258, Pol. C. 1895; re-en. Sec. 2090, Rev. C. 1907; re-en. Sec. 3378, R.C.M. 1921; re-en. Sec. 3378, R.C.M. 1935; amd. Sec. 1, Ch. 199, L. 1977; R.C.M. 1947, 46-1409; amd. Sec. 12, Ch. 166, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Near beginning inserted "llamas". Amendment effective March 20, 1989.

**81-4-216. Damage to planted trees.** In case of any damage done to planted trees by animals, the owner of the trees may recover damages from the owner of the animals, if said trees are planted inside of a lawful fence or boxed to a height of not less than 5 feet.

**History:** En. Sec. 3281, Pol. C. 1895; re-en. Sec. 2096, Rev. C. 1907; re-en. Sec. 3377, R.C.M. 1921; re-en. Sec. 3377, R.C.M. 1935; R.C.M. 1947, 46-1408.

**81-4-217. Retention of trespassing stock.** (1) If an animal breaks into an enclosure surrounded by a legal fence or is wrongfully on the premises of another, the owner or occupant of the enclosure or premises may take into his possession the trespassing animal and keep the animal until all damages, together with reasonable charges for keeping and feeding the animal, are paid. The person who takes the animal into his possession shall, within 24 hours after he takes possession, give written notice to the owner or person in charge of the animal, stating that he has taken the animal. The notice shall also give the date of the taking, the description of the animal taken, including marks and brands, if any, the amount of damages claimed, the charge per head per day for caring for and feeding the animal, and the description, either by legal subdivisions or other general description, of the location of the premises on which the animal is held.

(2) The notice shall be given to the owner or person in charge only when the owner or person in charge of the animal is known to the person taking the animal and resides within 25 miles of the premises on which the animal was taken. If the owner or person in charge of the animal resides more than 25 miles from the place of the taking, the notice shall be mailed to him. In this case or if the owner is unknown, a similar notice shall be mailed to the department of livestock and the sheriff of the county in which the animal has been taken. On receipt of the notice, the sheriff shall post a copy of the notice at the courthouse and shall send by certified mail a copy of it to the owner of the stock, if known to him. If unknown to him, the sheriff shall send a copy of the notice to the nearest state livestock inspector.

(3) If the parties within 5 days thereafter do not agree to the amount of damages, the claimant must within 10 days thereafter institute a civil action to collect his claim in a court of competent jurisdiction. Pending the outcome of the suit, the person taking the stock may, at the expense of the owner, retain a sufficient number of animals to cover the amount of damages claimed by him. The defendant may, after the institution of the action, on filing a

bond executed by two or more sureties and approved by the court in double the sum sued for, conditioned upon the payment to the plaintiff of all sums, including costs that may be recovered by the plaintiff, have all livestock returned to him. The claimant is liable to the owner for any loss or injury to the stock occurring through his fault or neglect. If the claimant fails to recover in the action a sum equal to that offered him by the owner of the stock, the claimant bears the expense of keeping and feeding the stock while in his possession.

(4) A person who takes or rescues an animal from the possession of the person taking the animal, without his consent, is guilty of a misdemeanor and shall be fined not less than $100 or more than $500.

**History:** **En. Sec. 8, p. 48, L. 1881; re-en. Sec. 1120, 5th Div. Comp. Stat. 1887; re-en. Sec. 3259, Pol. C. 1895; re-en. Sec. 2091, Rev. C. 1907; amd. Sec. 1, Ch. 231, L. 1921; re-en. Sec. 3379, R.C.M. 1921; re-en. Sec. 3379, R.C.M. 1935; amd. Sec. 146, Ch. 310, L. 1974; amd. Sec. 51, Ch. 12, L. 1977; R.C.M. 1947, 46-1410; amd. Sec. 1, Ch. 35, L. 1983.**

**81-4-218. Marking land and mining claims in national forest.** It shall be the duty of the owner or the person holding possessory right to all unfenced lands or patented or unpatented mining claims, which said lands or patented or unpatented mining claims lie within the boundary of national forest reserves in the state of Montana or which lie on public ranges adjoining to any national forest reserve, to mark the boundaries thereof by substantial monuments that can be readily seen and observed so that such boundaries can be readily traced.

**History:** **En. Sec. 1, Ch. 222, L. 1921; re-en. Sec. 3380, R.C.M. 1921; re-en. Sec. 3380, R.C.M. 1935; amd. Sec. 1, Ch. 31, L. 1963; R.C.M. 1947, 46-1411.**

**Cross-References**

Manner of locating claim, 82-2-101.

**81-4-219. Method of marking.** For the purposes of 81-4-218 through 81-4-220, it shall be prima facie evidence that such boundaries are properly marked if the same are defined; provided that such monuments or some tree, stump, or post adjacent thereto shall be conspicuously marked with the name of the owner or claimant of such ground and the name of the claim or the description of the land claimed.

**History:** **En. Sec. 2, Ch. 222, L. 1921; re-en. Sec. 3381, R.C.M. 1921; re-en. Sec. 3381, R.C.M. 1935; R.C.M. 1947, 46-1412.**

**Cross-References**

Manner of locating claim, 82-2-101.

**81-4-220. Marking — right of action against trespassing stock.** No person owning or possessing agricultural or grazing land or patented or unpatented mining claims lying within said national forest reserves of this state or on the public range lying adjoining to any said national forest reserve, the boundaries of which said lands are not marked as required by the provisions of 81-4-218 through 81-4-220, shall have any claim or cause of action or right of action against the owner of sheep, cattle, or other livestock under the charge of a herder for trespass committed by such livestock upon said land, and such shall be the rule regardless of whether the said livestock so trespassing strayed thereon on their own inclination and without being driven or whether said livestock were herded or driven on said land, provided that no person or persons can claim exemption for trespassing under the provisions of this section where such person or persons shall have actual knowledge of the boundary lines of any lands herein referred to. In no event shall damages other than nominal damages be assessed against said trespass unless the landowner or his duly authorized agent shall, within 6 months after said trespass has been committed, give said trespasser written notice demanding a sum certain for damages sustained by reason of such trespass.

**History: En. Sec. 3, Ch. 222, L. 1921; re-en. Sec. 3382, R.C.M. 1921; amd. Sec. 1, Ch. 78, L. 1927; re-en. Sec. 3382, R.C.M. 1935; amd. Sec. 2, Ch. 31, L. 1963; R.C.M. 1947, 46-1413.**

**Cross-References**

Definition of "enter or remain unlawfully", 45-6-201.

## Part 3

## Herd Districts

**81-4-301. Herd districts — creation, size, and location.** (1) Herd districts may be created in any county in the state of Montana upon petition of owners or possessors of 55% of the land in such district and providing 25% or more of the land in such district is in actual cultivation or being used for residential purposes. Such districts must contain 12 square miles or more, lying not less than 1 mile in width, outside of the incorporated cities, except that herd districts may be created containing not less than 6 or more than 54 square miles, lying not less than 2 miles in width, when such territory joins and is contiguous with the boundaries of a city having a population of 10,000 or more and such territory so to be created in a herd district has a suburban population of not less than 200 people.

(2) In formation of such a district the entire holding of any owner or lessee must be included unless such owner or lessee consents that less than his entire contiguous holdings be included in the petition.

(3) Such petition shall designate the months of the year when the herd district is effective, and upon presentation and filing of such petition, properly signed, giving the outside boundaries and description of the proposed district and the post-office address of the signers thereto, with the clerk and recorder in the county in which the said district is being created, the county commissioners of such county, upon receipt thereof, shall set a date for hearing protests and verifying the signatures thereto and shall give not less than 20 days' notice of the same by three publications in a newspaper of general circulation in the county of the proposed district. At the hearing held pursuant to such notices, the county commissioners shall examine the petition and shall cause a map to be made in order to determine the shape and regularity of the boundaries of the proposed district. The commissioners may then establish the district, but such district shall be established only in such manner that the district will be reasonably regular and symmetrical in shape or practicable in relation to the geographical features of such district. It is not required that the boundaries of any district follow section lines to meet the requirement of reasonably regular and symmetrical boundaries.

(4) Should it appear to such county commissioners after such hearing that the signatures attached to such petition were genuine, they shall immediately

declare such herd district created and established; after which the county commissioners must give notice by four weekly publications in some newspaper nearest the district of the creation of such districts, also stating the period such districts will be in effect. Such districts shall not be in effect until 30 days have expired after the order.

(5) Upon petition of any owner or possessor of lands lying contiguous and adjoining any herd district theretofore created and upon like hearing and notice as hereinabove provided for, such lands shall be included in said herd district and become a part thereof. Should the signature of lessee appear on the petition creating or abolishing any herd district, the owner or owners of said land may appear either in person or agent and enter their protest and the board of county commissioners shall remove the name of the lessee from said petition, and no person shall be permitted to withdraw his name after the hour set for hearing same.

**History: En. Ch. 74, L. 1917; amd. Sec. 2, Ch. 167, L. 1919; re-en. Sec. 3384, R.C.M. 1921; amd. Sec. 1, Ch. 56, L. 1929; amd. Sec. 1, Ch. 117, L. 1931; re-en. Sec. 3384, R.C.M. 1935; amd. Sec. 1, Ch. 103, L. 1951; amd. Sec. 1, Ch. 209, L. 1959; amd. Sec. 1, Ch. 39, L. 1974; R.C.M. 1947, 46-1501(a); amd. Sec. 1, Ch. 488, L. 1979.**

**81-4-302. Dissolution.** (1) When a petition praying that any established herd district be dissolved is filed with the county clerk and recorder of the county wherein such district has been established and it is set forth therein that such petition is signed by the owners or possessors of 55% or more of the lands lying within such district and that less than 25% of the lands included in such district is in actual cultivation, the said county clerk and recorder shall call such petition to the attention of the board of county commissioners of the county at its next regular meeting. At said meeting by its order the board shall set such petition for hearing at a specified time on a day certain of which notice shall be given by publication at least once in each week for 3 successive weeks in some newspaper of general circulation in the county.

(2) At the time fixed for hearing, the board of county commissioners shall first require proof of publication of the notice of said hearing to be made and thereafter shall consider the petition and hear all interested parties. At the conclusion of any such hearing, if the board of county commissioners shall find that notice of hearing has been given in the manner and for the time prescribed herein and that the owners or possessors of 55% or more of the lands lying within such herd district have signed the petition and request that such district be dissolved and that less than 25% of the lands included in such district are in actual cultivation, then the board shall forthwith spread such findings upon its minutes and thereupon shall enter an order in terms that by reason of such findings and of the proceedings had upon such petition the herd district is thereby dissolved. Forthwith, upon the making and entry of any such order aforesaid, the herd district affected thereby shall be dissolved for all purposes thereafter.

**History: En. Ch. 74, L. 1917; amd. Sec. 2, Ch. 167, L. 1919; re-en. Sec. 3384, R.C.M. 1921; amd. Sec. 1, Ch. 56, L. 1929; amd. Sec. 1, Ch. 117, L. 1931; re-en. Sec. 3384, R.C.M. 1935; amd. Sec. 1, Ch. 103, L. 1951; amd. Sec. 1, Ch. 209, L. 1959; amd. Sec. 1, Ch. 39, L. 1974; R.C.M. 1947, 46-1501(b).**

**81-4-303. Exclusion of government land.** Any tract of land embraced within any established herd district and which contains 18 sections of government land or more, so located that at least one-fourth of the perimeter of such tract coincides with the existing boundaries of such herd district, may be excluded therefrom upon proceedings had before the board of county commissioners of the county wherein the said district has been established on a like petition, notice, and hearing and by a like order as in the case of proceedings for dissolving herd districts. When the exclusion of any such tract of land from an existing herd district is sought, the petition shall describe the tract to be excluded with common certainty and shall set forth that it is signed by the owners or possessors of 55% or more of the lands lying within the boundaries of the tract to be excluded and that less than 15% of the lands included in such tract is in actual cultivation. In any such case if the board of county commissioners at the conclusion of the hearing had shall find that the tract of land to be excluded conforms to the requirements of this section and that the allegations of the petition are true, its findings to that effect shall be spread upon the minutes and the board shall thereupon enter its order in terms that by reason of such findings and of the proceedings had upon such petition the tract of land described in the petition, which shall be further set forth with common certainty in the order, is thereby excluded from such herd district for all purposes thereafter. Forthwith upon the making and entry of any such order of exclusion the tract of land therein described shall be deemed for all purposes thereafter to be excluded from and to form no part of the herd district affected thereby.

**History: En. Ch. 74, L. 1917; amd. Sec. 2, Ch. 167, L. 1919; re-en. Sec. 3384, R.C.M. 1921; amd. Sec. 1, Ch. 56, L. 1929; amd. Sec. 1, Ch. 117, L. 1931; re-en. Sec. 3384, R.C.M. 1935; amd. Sec. 1, Ch. 103, L. 1951; amd. Sec. 1, Ch. 209, L. 1959; amd. Sec. 1, Ch. 39, L. 1974; R.C.M. 1947, 46-1501(c).**

**81-4-304. Joint herd districts.** Herd districts may be created jointly between any two or more counties of the state of Montana where the lands to be included in the district meet the requirements of this section and either extend across county boundaries under one ownership or are contiguous to the land of owners in the adjoining county wishing to participate in the herd district. The county commissioner boards of each county desiring to participate in a joint herd district shall comply with all the provisions of this section dealing with single-county districts. A joint herd district shall be created only after approval by all county commissioner boards of participating counties as provided for single-county herd districts in this section. Joint herd districts may be dissolved in the same manner as single-county herd districts.

**History: En. Ch. 74, L. 1917; amd. Sec. 2, Ch. 167, L. 1919; re-en. Sec. 3384, R.C.M. 1921; amd. Sec. 1, Ch. 56, L. 1929; amd. Sec. 1, Ch. 117, L. 1931; re-en. Sec. 3384, R.C.M. 1935; amd. Sec. 1, Ch. 103, L. 1951; amd. Sec. 1, Ch. 209, L. 1959; amd. Sec. 1, Ch. 39, L. 1974; R.C.M. 1947, 46-1501(d).**

**81-4-305. Changing time when herd districts will be in effect — petition — notice — hearing.** The time of year or period when any herd district heretofore or hereafter created under the provisions of the laws of this state is effective or will be in effect may be changed as herein provided, by the board of county commissioners of the county in which such herd district has been created, upon the presentation and filing with the clerk and recorder of such county a petition signed by the owners or possessors of 55% of the land in such district. Such petition shall designate the months of the year when such herd district is effective and designate the contemplated change.

Upon receipt thereof, the county commissioners of such county shall set a date for hearing protests and verifying the signatures thereto and shall give not less than 20 days' notice of the same by posting five notices of hearing in five public places in the county, one of which shall be at the place such hearing is to be held and at least two of such notices to be posted within such herd district. Should it appear to the board of county commissioners after such hearing that the signatures attached to such petition are genuine, they shall immediately make an order changing the period of time such herd district will be in effect, as designated in such petition; after which the county commissioners must give notice by four weekly publications in some newspaper in the county nearest such district, stating the period such district will be in effect. The change of time shall not become effective until such notice has been published as herein provided. Upon the fourth publication of such notice, such change of time shall become effective and violation thereof shall be punished as provided under the laws of the state of Montana relative to herd districts.

**History: En. Sec. 1, Ch. 78, L. 1931; re-en. Sec. 3389.1, R.C.M. 1935; R.C.M. 1947, 46-1507.**

**81-4-306. Penalty for permitting animals to run at large in herd districts.** (1) Any person who is the owner or entitled to the possession of any horses, mules, cattle, sheep, llamas, bison, asses, hogs, or goats, who willfully permits such animals to run at large within any herd district, is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $50 or more than $250 for each offense. Each day that each five head or less of such horses, mules, cattle, sheep, llamas, bison, asses, hogs, or goats are willfully permitted to run at large constitutes a separate offense.

(2) Any person who is the owner or entitled to the possession of any bull, stallion, or jackass over 1 year of age who willfully permits such animal to run at large within any herd district is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $50 or more than $250 for each offense. Each day that a bull is permitted to run at large constitutes a separate offense.

**History: En. Ch. 74, L. 1917; amd. Sec. 3, Ch. 167, L. 1919; re-en. Sec. 3385, R.C.M. 1921; amd. Sec. 1, Ch. 45, L. 1925; re-en. Sec. 3385, R.C.M. 1935; amd. Sec. 1, Ch. 165, L. 1945; R.C.M. 1947, 46-1502; amd. Sec. 2, Ch. 488, L. 1979; amd. Sec. 13, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In two places in (1) inserted reference to llamas and bison; and made minor changes in phraseology. Amendment effective March 20, 1989.

**81-4-307. Trespassing animals in herd district — retention for damages and keep.** (1) If any such animal or animals wrongfully enter upon premises of any person within such district, the owner or person in control of such animal or animals shall be liable for care and feed and for any damages occasioned by such livestock to the landowner. The owner or occupant of the land upon which such wrongful entry is made may take into his possession such animal or animals and reasonably care for the same and may retain possession thereof and be entitled to a lien thereon as security for the payment of damages and charges occasioned by such livestock. If the owner of such livestock or the person entitled to the possession thereof can be found or is known to the person who takes it up for trespass, it shall be his duty to notify the owner, owners, or persons in charge thereof within 48 hours after taking possession thereof by a notice in writing, duly mailed as a registered or certified letter, directed to such owner or person in charge at his post-office address or by serving such notice on him personally. The notice shall give a particular description of the livestock and state the amount of damages claimed and demand that within 48 hours after receipt of such notice the damages and costs be paid and that the animal or animals be taken away from the property of the complainant.

(2) Upon demand and upon payment of the damages and charges, the owner or occupant of the land shall release and deliver possession of such stock to the owner or person entitled thereto. If the parties cannot agree upon the amount, then the owner or person entitled to said stock shall give a receipt to the owner or occupant of the land having possession of the same, which receipt shall fully describe the animal or animals so that they may at any time be easily identified, and thereupon the owner or occupant of the land shall give possession of such livestock to the owner or person entitled thereto, making claim therefor. The owner or person so receiving possession of such livestock shall not dispose of the same but shall retain and keep the same in his possession as the legal custodian thereof in order to meet and pay the amount of the lien thereon for damages and charges due in consequence of any such trespass.

(3) The party entitled to such damages or charges shall within 10 days after delivery of possession of such livestock commence an action in any court having jurisdiction to recover such damages and charges, and such livestock shall be held for the payment of any judgment as effectually as though held under a writ of attachment. At any time after such action is commenced, the owner or person entitled to the stock, to whom delivery of possession was made, may furnish and file a bond conditioned to pay the damages, charges, and costs incurred in the action, and upon approval of the bond by the justice of the peace, if the action is commenced in a justice court, or by the judge or clerk of the district court, if the action is commenced in the district court, the lien and claim upon the livestock shall thereupon be discharged.

(4) If the owner or person entitled to such livestock does not furnish such a bond within 10 days after the service of summons in the action, an order may be issued authorizing and directing the constable or sheriff to take possession and hold the stock to satisfy any judgment which may be recovered in the action, and such stock, when so taken possession of by the officer, shall be held, treated, and sold under execution the same as though seized and held in the first instance by writ of attachment.

(5) The owner or person entitled to the stock may, in lieu of furnishing a bond, deposit an amount of money sufficient to pay any judgment which may be recovered in such action, the amount to be determined by the justice or judge of the court in which the action is pending. If the owner or person entitled to the livestock, after delivery of possession to him without payment of damages and charges herein provided for, shall sell or dispose of the same or any part thereof or permit the same to be taken from his possession or shall in any manner prevent the seizure of the same by the constable or sheriff, as herein provided, before the lien thereon is fully discharged, he shall be guilty of a misdemeanor and in addition thereto shall be liable to the party entitled to such damages and charges in double the value of the stock. At the time of delivery or possession of such stock [to] the owner or person entitled

thereto, a written statement of the amount of the damages and charges shall be furnished to the owner or person entitled to the possession of the stock by the person claiming such damages and charges.

(6) If the owner or claimant of such stock is not known to the person taking up such stock, he shall give notice thereof within 48 hours by posting a notice at the nearest post office and serving a like notice on the stock inspector of the district, which notice shall describe each animal or animals, the brand thereon, and give a minute description thereof, together with the date of the trespass.

**History:** En. Ch. 74, L. 1917; amd. Sec. 4, Ch. 167, L. 1919; re-en. Sec. 3386, R.C.M. 1921; amd. Sec. 1, Ch. 165, L. 1931; re-en. Sec. 3386, R.C.M. 1935; R.C.M. 1947, 46-1503.

**Cross-References**

Writ of Attachment, Title 27, ch. 18.

Definition of "enter or remain unlawfully", 45-6-201.

Penalty for misdemeanor, 46-18-212.

**81-4-308. Retrieval of impounded animals a misdemeanor — penalty.** Any person who takes or rescues any animal impounded as provided in 81-4-307 from the possession of the person in whose custody the same may be, without his consent, shall be guilty of a misdemeanor and upon conviction therefor be subject to a fine of not less than $100 or more than $500 or shall be confined in the county jail not more than 60 days or both such fine and imprisonment.

**History:** En. Sec. 6, Ch. 167, L. 1919; re-en. Sec. 3388, R.C.M. 1921; re-en. Sec. 3388, R.C.M. 1935; R.C.M. 1947, 46-1505; amd. Sec. 3, Ch. 488, L. 1979.

**81-4-309. Unlawful introduction of livestock into herd district a misdemeanor — penalty.** Any person not the owner or person in charge of any livestock who causes any livestock to enter any herd district established under the provisions of 81-4-301 through 81-4-309 is guilty of a misdemeanor and upon conviction thereof is subject to a fine of not less than $250 or more than $500 or confinement in the county jail not less than 60 days or both such fine and imprisonment and is liable for all damages and costs occurring from such trespass. For the purposes of this section, each separate animal so moved constitutes a separate offense.

**History:** En. Sec. 7, Ch. 167, L. 1919; re-en. Sec. 3389, R.C.M. 1921; re-en. Sec. 3389, R.C.M. 1935; R.C.M. 1947, 46-1506; amd. Sec. 3, Ch. 14, L. 1979; amd. Sec. 4, Ch. 488, L. 1979.

**81-4-310 through 81-4-320 reserved.**

**81-4-321. Definition.** The term "horses" when used in 81-4-321 through 81-4-328 shall include any mare, gelding, stallion, colt, foal, filly, mule, jack, and jenny.

**History:** En. Sec. 4, Ch. 119, L. 1931; amd. Sec. 2, Ch. 57, L. 1933; re-en. Sec. 3389.5, R.C.M. 1935; R.C.M. 1947, 46-1604(part).

**81-4-322. Horse herd districts — size — location — petition — notice and hearing — abolishment.** (1) Horse herd districts may be created in any county in the state of Montana upon the petition of owners or possessors of 55% of the land of such district. Such district shall contain 12 square miles or more lying not less than 1 mile in width outside of incorporated cities or towns. Such petition shall designate the months of the year when horse herd district regulations are effective.

(2) Upon presentation and filing of a petition properly signed and reciting the outside boundaries and description of the proposed district, together with the post-office address of the signers thereof, with the clerk and recorder in the county in which the said district is being created, the county commissioners of such county upon receipt thereof shall set a date for hearing protests and verification of signatures thereto and shall give not less than 20 days' notice of the same by three publications in a newspaper of general circulation in the county of the proposed district. Should it appear to such county commissioners, after such hearing, that the signatures attached to such petition were genuine, they shall immediately make an order declaring such horse herd district created and established, after which the county commissioners must give notice by two weekly publications in some newspaper in the county, nearest the district, stating the period when such horse herd district will be in effect and when such district shall not be in effect. Such order shall not be effective until 30 days have expired after the order.

(3) Such herd districts may be abolished at any time upon proceedings as hereinbefore set forth for the establishment of such herd district.

(4) The estimated expense of all publications required by 81-4-321 through 81-4-328 shall be paid by the petitioners, and no part thereof shall be paid by the county.

(5) Upon petition of any owner or possessor of land lying contiguous and adjoining any herd district heretofore created and upon like hearing and notice as hereinabove provided for, such lands shall be included in such herd district and become a part thereof.

(6) Should the signature of a lessee appear on the petition creating or abolishing any herd district, the owner or owners of said land may appear either in person or by agent and enter their protest, and the board of county commissioners shall remove the name of lessee from said petition, and no person shall be permitted to withdraw his name after the hour set for hearing same.

**History: En. Sec. 1, Ch. 119, L. 1931; amd. Sec. 1, Ch. 57, L. 1933; re-en. Sec. 3389.2, R.C.M. 1935; R.C.M. 1947, 46-1601.**

**81-4-323. Petition to dissolve horse herd district — hearing and notice — order of county commissioners.** When a petition praying that any established horse herd district be dissolved is filed with the county clerk and recorder of the county wherein such district has been established, and it is set forth therein that such petition is signed by the owners or possessors of 55% or more of the lands lying within such district, the county clerk and recorder shall call such petition to the attention of the board of county commissioners of the county at its next regular meeting. At said meeting by its order the board shall set such petition for hearing at a specified time on a day certain of which notice shall be given by publication at least once in each week, for 3 successive weeks in some newspaper of general circulation in the county. At the time fixed for hearing the board of county commissioners shall first require proof of publication of the notice of said hearing to be made and thereafter shall consider the petition and hear all interested parties. At the conclusion of any such hearing, if the board of county commissioners shall find that notice of the hearing has been given in the manner and for the time prescribed herein and that the owners or possessors of 55% or more of the lands lying within such herd district have signed the petition and request that such district be dissolved, then the said board shall forthwith spread such findings upon its minutes and thereupon shall enter an order in terms that by reason of such findings and of the proceedings had upon such petition the said horse herd district is thereby dissolved. Forthwith upon the making and entry of any such order aforesaid the horse herd district affected thereby shall be dissolved for all purposes thereafter.

**History:** En. Sec. 4A, Ch. 119, L. 1931; re-en. Sec. 3389.6, R.C.M. 1935; R.C.M. 1947, 46-1605.

**81-4-324. Horses running at large in herd district prohibited.** All horses are hereby prohibited from running at large within any horse herd district as defined in 81-4-322.

**History:** En. Sec. 2, Ch. 119, L. 1931; re-en. Sec. 3389.3, R.C.M. 1935; R.C.M. 1947, 46-1602.

**81-4-325. Penalty and liability for horses wrongfully entering on premises in horse herd district.** If any such horse or horses wrongfully enter upon premises within such district of any person, the owner or person in control of such horse or horses shall be punished according to the provisions of 81-4-309 and in addition to said punishment shall be liable for all damages sustained thereby to the party entitled thereto.

**History:** En. Sec. 3, Ch. 119, L. 1931; re-en. Sec. 3389.4, R.C.M. 1935; R.C.M. 1947, 46-1603.

**81-4-326. Retention and sale of horses for damages and care — procedure.** (1) The owner or occupant of the land upon which such wrongful entry is made may take into his possession such horse or horses and shall reasonably care for the same while in his possession and may retain possession of said horse or horses and shall have a lien and claim thereon as security for payment of such damages and reasonable charges for the care of said horse or horses while in his possession. The person taking up said horse or horses shall within 48 hours after taking possession thereof notify said owner, owners, or persons in charge thereof by a notice in writing, describing said horse or horses taken up, including marks and brands, if any, the amount of damages claimed, and the charge per head per day for caring for and feeding the same, and describing, either by legal subdivisions or other general description, the location of the premises upon which said horse or horses are held and requiring him within 48 hours after receiving said notice to take the said horse or horses away after making full payment for all damages and costs of said horse or horses. Such notice shall be given by personal service on the said owner, owners, or person in charge thereof or by leaving said notice at his usual place of residence with some member of his family over the age of 14 years or by sending said notice by prepaid registered or certified mail addressed to his last known place of residence. Said service by registered or certified mail shall be deemed complete upon the deposit of the notice in the post office.

(2) Upon demand, the owner or occupant of the land shall release and deliver possession of such horse or horses to the owner or person entitled thereto upon payment of damages and charges, but said payment of damages and charges shall not act as a bar to the prosecution of said person, owner, or person in control of such horse or horses, as hereinbefore provided. If the owner or claimant of such horse or horses is not known to the person taking

up such horse or horses or the said owner or claimant shall refuse to pay the amount of damages and charges as herein provided, the said person taking up such horse or horses shall, within 72 hours from the time said horse or horses were so taken up, deliver to the sheriff or a constable of the county in which the horse or horses were so taken up a statement containing the information required to be given in the notice hereinbefore set out, and in addition thereto, he shall mail by prepaid registered or certified mail a copy of said statement addressed to the nearest state livestock inspector. Upon receipt of such statement, the sheriff or constable shall proceed to advertise and sell at public auction the horse or horses so taken up.

**History:** **En. Sec. 4, Ch. 119, L. 1931; amd. Sec. 2, Ch. 57, L. 1933; re-en. Sec. 3389.5, R.C.M. 1935; R.C.M. 1947, 46-1604(1), (2).**

**81-4-327. Sale of horses — disposition of proceeds.** (1) Prior to such sale the sheriff shall have said horses classified as follows:

(a) Class 1 shall include:

(i) horses not bearing a registered brand and which in the opinion of the stock inspector are of a value not to exceed $10 per head; and

(ii) horses bearing a registered brand but which the owner has failed to redeem as herein provided, after notice given, and which in the opinion of the stock inspector are of a value not to exceed $10 per head.

(b) Class 2 shall include horses bearing registered brands and which in the opinion of the stock inspector are of a value in excess of $10 per head.

(2) Horses in class 1 shall be sold on 10 days' notice posted at the courthouse of each county in which any portion of the district lies and posted in three other public places in such county, one of which shall be in that portion of the district included in the county.

(3) Horses in class 2 shall be sold on notice posted for 21 days and otherwise as notices are required to be posted for the sale of horses in class 1, and such notice shall likewise be published once a week for 2 successive weeks before said sale in some newspaper published in the county seat of each county including any part of said district, if there be such newspaper, and if there be no newspaper published in any county comprising a part of such district, then such notice shall be published in any newspaper of general circulation in the county or counties including such district. The notice required to be published for the sale of horses in class 2 shall describe each horse to be sold, giving the approximate age, description, and brands, if any. The proceeds of the sale shall be applied by the sheriff to the discharge of the claim and the costs of the proceedings in selling the property and enforcing the claim, and the remainder, if any, shall be deposited with the county treasurer who shall keep the same in a special fund to be designated as the "horse herd district fund" (giving number of district if more than one).

(4) A separate fund, styled as above specified, shall be kept by the county treasurer for each of said districts created in his county. The county treasurer shall make a record of the description of each horse, the amount received for same, and the amount of deductions, which record shall be open to public inspection; and any person making claim of ownership of such horse to the board of county commissioners at any time within 1 year from the date of sale and submitting proof of ownership to such board with such claim to the satisfaction of such board shall be entitled to receive such excess received

from the sale of such horse. Any money received from the sale of any such horse which shall not be so claimed within 1 year after such sale shall at the expiration of said period be transferred to the general fund of the county.

**History:** **En. Sec. 4, Ch. 119, L. 1931; amd. Sec. 2, Ch. 57, L. 1933; re-en. Sec. 3389.5, R.C.M. 1935; R.C.M. 1947, 46-1604(part).**

**81-4-328. Liability of officers.** No officer, board, or employee of any county or any employee of such officer or board shall be liable for any act performed in good faith in discharging official duties under 81-4-321 through 81-4-327, and all such acts shall be presumed to have been in good faith and in conformity with 81-4-321 through 81-4-327.

**History:** **En. Sec. 5, Ch. 119, L. 1931; re-en. Sec. 3389.7, R.C.M. 1935; R.C.M. 1947, 46-1606.**

**Cross-References**

Liability exposure, Title 2, ch. 9.

## Part 4

## Impoundment of Livestock in Municipalities

**81-4-401. Certain livestock not to run at large in municipalities.** No horses, cattle, mules, sheep, llamas, bison, goats, or swine may be allowed to run at large in any incorporated city or town.

**History:** **En. Sec. 1, Ch. 65, L. 1917; re-en. Sec. 3401, R.C.M. 1921; re-en. Sec. 3401, R.C.M. 1935; R.C.M. 1947, 46-1714; amd. Sec. 14, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted reference to llamas and bison; and made minor changes in phraseology. Amendment effective March 20, 1989.

**81-4-402. Punishment for permitting trespass of livestock.** Any person owning livestock or having in charge any horses, mules, cattle, sheep, llamas, bison, goats, or swine who willfully and unlawfully permits such livestock to trespass in violation of any of the provisions of 81-4-401 is guilty of a misdemeanor and upon conviction thereof shall be punished as provided by law.

**History:** **En. Sec. 2, Ch. 65, L. 1917; re-en. Sec. 3402, R.C.M. 1921; re-en. Sec. 3402, R.C.M. 1935; R.C.M. 1947, 46-1715; amd. Sec. 15, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted reference to llamas and bison; and made minor changes in phraseology. Amendment effective March 20, 1989.

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-4-403. Impounding animals — duties of cities and towns.** When any livestock or domestic animals of any kind are impounded, seized, restrained, or held by any city or town or its officers or agents, it shall be the duty of such city or town, its officers or agents, to give notice to the owner of such livestock or domestic animals so impounded, seized, restrained, or held by such city or town, if the owner is known, in the manner hereinafter provided.

**History:** **En. Sec. 1, Ch. 161, L. 1921; re-en. Sec. 5175, R.C.M. 1921; re-en. Sec. 5175, R.C.M. 1935; R.C.M. 1947, 46-2001.**

**Cross-References**

Control of livestock in emergency road construction area, 7-14-2129.

**81-4-404. Contents of notice.** Said notice shall be in writing and shall give:

(1) the number, description, marks, and brands of such stock when impounded, seized, restrained, or held, with the reasons therefor;

(2) the amount of charges, if any, which shall be reasonable and in no case exceed the actual cost of holding and costs in event of sale; and

(3) what disposition will be made of said stock if such charges are not paid and when and where such disposition shall be made.

**History: En. Sec. 2, Ch. 161, L. 1921; re-en. Sec. 5176, R.C.M. 1921; amd. Sec. 1, Ch. 69, L. 1927; re-en. Sec. 5176, R.C.M. 1935; R.C.M. 1947, 46-2002.**

**81-4-405. Service upon owner.** If such owner be known and if his post-office address shall be known as hereinbefore specified, such notice shall be served upon him or her personally.

**History: En. Sec. 3, Ch. 161, L. 1921; re-en. Sec. 5177, R.C.M. 1921; re-en. Sec. 5177, R.C.M. 1935; R.C.M. 1947, 46-2003.**

**81-4-406. Service on department of livestock.** If the owner is unknown or if the owner is known but his post-office address is unknown, the notice shall be served on the department of livestock.

**History: En. Sec. 4, Ch. 161, L. 1921; re-en. Sec. 5178, R.C.M. 1921; re-en. Sec. 5178, R.C.M. 1935; amd. Sec. 157, Ch. 310, L. 1974; R.C.M. 1947, 46-2004.**

**81-4-407. Service by mail.** Service of such notice may be made personally or by registered or certified mail, postage prepaid, properly addressed, and placed in the United States post office at least 8 days before the day fixed for the disposition of said stock.

**History: En. Sec. 5, Ch. 161, L. 1921; re-en. Sec. 5179, R.C.M. 1921; re-en. Sec. 5179, R.C.M. 1935; R.C.M. 1947, 46-2005.**

**81-4-408. Duty of officers to ascertain brands.** It shall be the duty of such city or town and its officers or agents to use reasonable diligence to ascertain any and all marks and brands on such stock, and in case such animals are not branded or marked or the brand or marks are mutilated or undeterminable, such facts shall be noted in said notice.

**History: En. Sec. 6, Ch. 161, L. 1921; re-en. Sec. 5180, R.C.M. 1921; re-en. Sec. 5180, R.C.M. 1935; R.C.M. 1947, 46-2006.**

**Cross-References**

Recording of brands required, 81-3-102.

**81-4-409. Department to ascertain owner — notice.** When the notice is served, the department shall ascertain the owner of the stock, if possible, and when the owner is ascertained, immediately furnish the owner with the information contained in the notice. The department shall notify the city or town, its officers or agents, of the name and post-office address of the owner.

**History: En. Sec. 7, Ch. 161, L. 1921; re-en. Sec. 5181, R.C.M. 1921; re-en. Sec. 5181, R.C.M. 1935; amd. Sec. 158, Ch. 310, L. 1974; R.C.M. 1947, 46-2007.**

**81-4-410. Provisions mandatory.** The provisions hereof are mandatory, and the owner of such livestock will not lose title or right of possession to his stock unless the provisions hereof are strictly complied with.

**History:** En. Sec. 8, Ch. 161, L. 1921; re-en. Sec. 5182, R.C.M. 1921; re-en. Sec. 5182, R.C.M. 1935; R.C.M. 1947, 46-2008.

## Part 5

## Roundup of Abandoned Horses

**81-4-501. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Abandoned horse" means a horse, mare, gelding, filly, jack, mule, or other animal of the genus equus, 1 year of age or over and unbranded or, if branded, which has escaped assessment for taxation for the year immediately preceding its impounding as provided for in this part, and running at large on the open range of this state, including foals running with dams coming within the above definition. An animal not bearing a decipherable brand which is recorded with the department of livestock is considered unbranded.

(2) "Open range" means all lands in this state not enclosed by a fence. The term "open range" includes all highways outside of private enclosures and used by the public, whether the highways have been formally dedicated to the public or not.

(3) "Person" includes individuals, associations, persons, and corporations.

**History:** En. Sec. 1, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.1, R.C.M. 1935; amd. Sec. 148, Ch. 310, L. 1974; R.C.M. 1947, 46-1801.

**81-4-502. Abandoned horses on public range declared public nuisance subject to condemnation — right of owner.** It is unlawful for any person owning or having control of any horse to abandon the horse upon the open range in the state of Montana, and such horses so running at large upon the open range in the state are a public nuisance and a public menace and are condemned, subject to the right of the owner of any such abandoned horse to reclaim the same under the conditions hereinafter provided.

**History:** En. Sec. 2, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.2, R.C.M. 1935; amd. Sec. 54, Ch. 12, L. 1977; R.C.M. 1947, 46-1802.

**Cross-References**

Public nuisance, 45-8-111.

**81-4-503. Roundup of abandoned horses — petition — expenses.** (1) For the purpose of speedily clearing abandoned horses from the open range in any county or in any district thereof, the board of county commissioners of any such county must, upon the petition of at least five responsible property owners, inhabitants of the proposed roundup district engaged in the livestock business and paying taxes upon livestock in such county, or upon the petition of a reputable local livestock association, authorize a roundup of abandoned horses in any district within such county.

(2) Upon the filing of such petition, the board shall make an order authorizing such roundup, which order shall describe generally such district with reasonable certainty. Said district shall not include more or less territory than that described in the petition. Such order shall also specify the date on or

within 10 days after which the roundup shall begin and shall designate the place within the district at which the headquarters of such roundup shall be maintained.

(3) Any such roundup shall be conducted in such manner as to cause as little disturbance as reasonably possible to horses running lawfully on the open range.

(4) All expense of any such roundup shall be paid by the petitioners at whose request the same is initiated, and no county officer or board shall have any power to expend any moneys of the county or incur any obligation on its behalf in connection with any such roundup. Such petitioners, however, shall be reimbursed for the expense of such roundup, as and when moneys may be available for that purpose in the abandoned horse fund, by warrants issued upon claims filed as in the case of other claims against the county.

**History: En. Sec. 3, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.3, R.C.M. 1935; R.C.M. 1947, 46-1803.**

**81-4-504. Notice of holding roundup — publication — form.** Notice of the roundup shall be given by the board of county commissioners at least 30 days before the date when the roundup begins. The notices shall be published at least once a week for 3 successive weeks in some newspaper of general circulation, printed and published in the county in which the roundup is to be held, if a newspaper of this type is printed and published in the county. The notice shall be posted in at least five public places outside of the county seat of the county on public highways in the county or district, as the case may be, in which the roundup is to be held. Three notices shall be posted in three public places in the county seat. One of the notices shall be posted at the front door of the courthouse. The notices posted outside of the county seat are to be posted not less than 2 miles apart, and all posted notices are to be posted at least 20 days before the date on which the roundup begins as stated in the notice. If no newspaper is printed and published in the county, publication in a newspaper is not required. At least 20 days before the date on which the roundup is to begin, a copy of the notice shall be filed with the department by the clerk of the board of county commissioners.

**History: En. Sec. 4, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.4, R.C.M. 1935; amd. Sec. 149, Ch. 310, L. 1974; R.C.M. 1947, 46-1804.**

**81-4-505. Roundup foreman — duties — bond.** (1) All roundups shall be under the control and supervision of the board of county commissioners of the county in which the same shall be held. Roundup districts shall be numbered in the order of their creation. Each roundup shall be conducted by some person designated by the board of county commissioners, whose official designation shall be “roundup foreman, .... roundup district, .... County, state of Montana”.

(2) Such person shall maintain his headquarters at the place designated by the board of county commissioners in its order as the headquarters of such roundup. Such roundup foreman shall have power to administer oaths and affirmations in all matters coming within the scope of his official duties.

(3) The board of county commissioners shall require from such roundup foreman an official bond, in an amount not less than $2,500 and not to exceed

$5,000, which bond shall be conditioned as official bonds of county officers and shall be subject to all provisions of law applicable to such bonds.

**History: En. Sec. 5, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.5, R.C.M. 1935; R.C.M. 1947, 46-1805(part).**

**Cross-References**

Bonds of county officers and employees, Title 2, ch. 9, part 7.

Official bonds of county officers, 7-4-2212.

**81-4-506. Sale of abandoned horses.** All abandoned horses taken up in any such roundup shall be delivered to the roundup foreman in charge of such roundup and shall be by him offered for sale at public auction and sold to the highest bidder for cash, if there be any bidder or bidders therefor, and any such abandoned horses so offered for sale and for which no bid is made shall be destroyed or otherwise disposed of in the discretion of the board of county commissioners, unless reclaimed as herein provided.

**History: En. Sec. 5, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.5, R.C.M. 1935; R.C.M. 1947, 46-1805(part).**

**81-4-507. Gathering horses in roundup district before roundup unlawful — rights of owner.** It shall be unlawful for any person or persons to round up from the range any horse or horses in any roundup district after such districts have been designated by the county commissioners until after such roundup. However, an owner of horses on which the taxes have been paid in this district may gather the same by notifying the roundup foreman and being accompanied by such foreman or a representative of such foreman in gathering such horses.

**History: En. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.16, R.C.M. 1935; R.C.M. 1947, 46-1815.**

**81-4-508. Claim of owner — cost of keeping and feeding horses.** Any person claiming to be the owner of any such abandoned horse or horses may serve written notice upon the roundup foreman in charge of such roundup of his claim of ownership, at any time before sale or other final disposition of such horse or horses. Such claim of ownership shall be verified by the oath of the claimant or someone on his behalf, and the sale or other final disposition of such horse or horses shall, as to such horse or horses, be postponed from time to time as may be necessary to enable the claimant to make proof of his claim as herein provided. Such postponement shall not be had unless the claimant shall pay to the roundup foreman in charge of such roundup or deliver to him satisfactory security for the estimated cost of keeping and feeding such horse or horses until sale or other final disposition or delivery to the owner.

**History: En. Sec. 6, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.6, R.C.M. 1935; R.C.M. 1947, 46-1806.**

**81-4-509. Proof of ownership — payment of taxes and penalties — decision of commissioners on claim.** Any person claiming any abandoned horse or horses as provided in 81-4-508 shall, within 5 days after serving the notice provided for in 81-4-508, or within such further time as the board of county commissioners shall allow, upon good cause shown, submit to such board proof of his ownership and shall deposit with said board the amount of any unpaid taxes and penalties which may be assessed against such horse or horses, together with the sum of $5 roundup fee. The board shall decide all such cases in preference to all other matters coming before it and at the earliest possible moment. If the claim shall be allowed, the roundup foreman in charge of such roundup shall immediately be notified of such decision and he shall forthwith deliver such horse or horses as to which ownership shall be so proved to the owner upon payment of any amount due from such owner for the estimated cost of keeping and feeding such horse or horses as aforesaid. The deposit made by such owner of taxes, penalties, and roundup fee shall be delivered by the board to the county treasurer. If such board shall deny the claim of ownership, it shall forthwith notify the person in charge of such roundup of its decision and such horse or horses as to which such claim shall be denied shall be offered for sale at the earliest convenient session of the sales being held under such roundup, and if not sold, the same shall be destroyed or otherwise disposed of as though no claim had been presented.

**History:** **En. Sec. 7, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.7, R.C.M. 1935; R.C.M. 1947, 46-1807.**

**Cross-References**

Class six property — description — taxable percentage, 15-6-136.

**81-4-510. Notice of sale of abandoned horses — form — time of sale — title.** (1) Before any sale shall be had, at least 10 days' notice shall be given by publication and posting in the manner specified in 81-4-504, except that publication, if made in a newspaper, shall be once in each week for two successive weeks, and posting shall be done at least 5 days before the date of sale. Such notice shall be in substantially the following form:

NOTICE OF SALE OF ABANDONED HORSES

Notice is hereby given that on .... day, the .... day of ...., 19.., at .... in the county of ...., state of Montana, beginning at the hours of ....m., on said day the following described abandoned horses will be sold at public auction to the highest bidder for cash, to wit:

(Give general description of horses to be sold by brand, if any, color, approximate weight, and estimated age.)

Any horses not reclaimed before sale as provided by law and for which no bid is made at said sale will be destroyed or otherwise disposed of in the discretion of the board of county commissioners of .... County, state of Montana.

Dated the .... day of ...., 19...

By order of the board of county commissioners of .... County, Montana.

By ...., clerk of said board.

(2) All such sales shall be held between the hours of 8 a.m. and 6 p.m. and may be continued from time to time until all abandoned horses taken in such roundup shall have been disposed of. On payment of the price bid for any such horse or horses sold, the delivery thereof, with a bill of sale, vests the title thereto in the purchaser.

**History:** **En. Sec. 8, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.8, R.C.M. 1935; R.C.M. 1947, 46-1808.**

**81-4-511. Assessment of horses taken in roundup.** It shall be the duty of the county assessor immediately to assess all horses taken up in such roundup which shall be sold or reclaimed before sale and not already assessed for the current year and forthwith transmit to the county treasurer a copy of each assessment made. Any such horses which have escaped the assessment mentioned in 81-4-501 shall be assessed as provided for in 15-8-306.

**History:** En. Sec. 9, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.9, R.C.M 1935; R.C.M. 1947, 46-1809.

**Cross-References**

How property is assessed, Title 15, ch. 8, part 3.

**81-4-512. Disposition of proceeds — abandoned horse fund — use of fund.** All moneys paid by reclaiming owners of any such horse or horses shall be paid to the county treasurer and by him kept in a fund to be designated as the "abandoned horse fund, roundup district No. .... (giving number of district in which such horse or horses were rounded up)". A separate fund, styled as above specified, shall be kept by the county treasurer for each roundup district created in his county. All moneys received from the sale of any such horses shall be paid to the county treasurer, and if such sum received from the sale of any such horse shall not exceed the taxes, penalties, and the roundup fee, the whole thereof shall be immediately deposited in the abandoned horse fund for the district in which such horse or horses were rounded up. But if the sum received from the sale of any such horse shall exceed such taxes, penalties, and roundup fee, the amount of such taxes, penalties, and roundup fee shall be forthwith deposited in the abandoned horse fund for such district and the excess shall be kept by the treasurer in a separate fund, and he shall make a record of the description of such horse, the amount received for the same, and the amount of deductions for taxes, penalties, and roundup fee, which record shall be open to public inspection. Any person making claim to the board of county commissioners, at any time within 6 months from the date of sale, of ownership of such horse and submitting proof of ownership to such board with such claim, to the satisfaction of such board, shall be entitled to receive such excess received from the sale of such horse. Any money received from the sale of any such horse in excess of taxes, penalties, and roundup fee, which shall not be so claimed within 6 months after such sale, shall at the expiration of said period become the property of such county and shall be transferred to the abandoned horse fund for the district in which any such horse was rounded up.

**History:** En. Sec. 10, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.10, R.C.M. 1935; R.C.M. 1947, 46-1810.

**81-4-513. Report of roundup foreman — disposition of copies.** The roundup foreman in charge of any such roundup shall keep an accurate record of all proceedings had under the order for such roundup, and within 30 days after such roundup shall be completed, he must prepare in triplicate and verify by his oath a full, true, and accurate report of all the proceedings taken or had under the order for the roundup, among other things, particularly including a complete financial statement, the number and description of horses impounded and how disposed of. Within said 30 days one of such triplicates of such report shall be filed with the clerk of the board of county commissioners, and such filing shall be notice to the world of all the contents of such report and prima facie proof of the facts therein stated. Within said

30 days one of such triplicate shall also be filed with the county assessor and one with the county treasurer for their information and appropriate action.

**History: En. Sec. 11, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.11, R.C.M. 1935; R.C.M. 1947, 46-1811.**

**81-4-514. Transfer of moneys of abandoned horse fund to general fund.** On November 30 of each year, the county treasurer shall, if all claims against any such abandoned horse fund are paid and a balance remains in such fund, transfer all moneys so remaining in such fund to the general fund of the county, subject to the usual division with the state as to any portion of such balance which shall consist of taxes collected on the abandoned horses. No part of the roundup fee of $5 shall be paid to the state. Any portion of the taxes so collected which shall be used in paying claims against said fund is hereby declared to be a part of the cost of collection of such taxes.

**History: En. Sec. 12, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.12, R.C.M. 1935; R.C.M. 1947, 46-1812.**

**81-4-515. Liability of officers and employees.** No officer, board, or employee of any county or any employee of any such officer or board shall be liable for any act performed in good faith in discharging official duties under this part. All such acts shall be presumed to have been in good faith and in conformity with this part.

**History: En. Sec. 13, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.13, R.C.M. 1935; R.C.M. 1947, 46-1813.**

**Cross-References**

Governmental entity to be joined as defendant — immunization, defense, and indemnification of employees, 2-9-305.

**81-4-516. Limitation of powers or duties of officers.** Except as herein provided, nothing herein contained shall be construed as limiting the powers or duties of assessors, county treasurers, or other boards or officers.

**History: En. Sec. 14, Ch. 140, L. 1925; amd. Sec. 1, Ch. 29, L. 1927; re-en. Sec. 3406.13, R.C.M. 1935; R.C.M. 1947, 46-1814.**

## Part 6

## Estrays

**Part Cross-References**

Control of animals running at large, 7-23-4101.

Livestock on highways, Title 60, ch. 7.

Duties of livestock market operator when stock ownership in doubt, 81-8-263.

**81-4-601. Estray defined.** In this part, "estray" means a horse, mule, mare, gelding, colt, llama, bison, cow, ox, bull, stag, steer, heifer, calf, sheep, or lamb:

(1) not bearing a brand and the ownership of which cannot be determined by the stock inspector of the district in which the animal is found by inquiry among reputable resident stock owners or freeholders;

(2) bearing a recorded brand, the owner of which brand cannot be located at or through the post office designated on the records of the department or which owner cannot be located by the stock inspector of the district where

the estray is found by inquiry among reputable resident stock owners or freeholders; or

(3) which bears an unrecorded brand, the owner of which unrecorded brand cannot be ascertained by the stock inspector of the district in which the animal is found by inquiry among reputable resident stock owners or freeholders.

**History:** En. Sec. 5, Ch. 34, L. 1915; re-en. Sec. 3337, R.C.M. 1921; re-en. Sec. 3337, R.C.M. 1935; amd. Sec. 1, Ch. 112, L. 1959; amd. Sec. 1, Ch. 37, L. 1963; amd. Sec. 137, Ch. 310, L. 1974; R.C.M. 1947, 46-1005; amd. Sec. 16, Ch. 166, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Near beginning of introductory clause inserted "llama, bison". Amendment effective March 20, 1989.

**81-4-602. Estrays — department authorized to take possession.** The department and its appointed stock inspectors may take possession of estrays found running at large in this state and may dispose of the estrays, subject to the following restrictions.

**History:** En. Sec. 1, Ch. 34, L. 1915; re-en. Sec. 3333, R.C.M. 1921; re-en. Sec. 3333, R.C.M. 1935; amd. Sec. 133, Ch. 310, L. 1974; R.C.M. 1947, 46-1001.

**81-4-603. Taking up and disposition of estrays — advertisement.** (1) A stock inspector authorized by the department shall take into his possession an estray found in his district and shall either ship or arrange for the shipment of the estray to a licensed livestock market for sale, or he may hold the estray in his possession and care for the estray in the cheapest and most practicable manner for a period of not less than 30 days or more than 60 days, during which time he shall advertise that he holds the estray and that, unless claimed by the owner, he will on a date to be specified in the notice sell the estray at a public auction to the highest bidder for cash.

(2) The notice shall be published in the newspaper doing the county printing of the county in which the estray is found and in addition to that paper in a paper published in the town or city nearest the place in which the estray is held. This notice shall be published at least once a week for 4 consecutive weeks and shall contain a statement of the date of the sale, the place where the sale is to be held, and a general description of the estray, including the sex and the approximate age, together with an illustration of the brand and the position of the brand on the estray and a description of the place or locality where the estray was found or taken.

(3) The proceeds from the sale shall be disposed of under 81-4-605 and 81-4-606.

(4) The owner of the estray may appear and claim it at any time before the sale or shipment, as provided in this part, upon payment to the department of the cost of caring for the estray as determined by the department.

**History:** En. Sec. 2, Ch. 34, L. 1915; re-en. Sec. 3334, R.C.M. 1921; re-en. Sec. 3334, R.C.M. 1935; amd. Sec. 1, Ch. 34, L. 1943; amd. Sec. 134, Ch. 310, L. 1974; R.C.M. 1947, 46-1002; amd. Sec. 17, Ch. 166, L. 1989.

**Compiler's Comments**

*1989 Amendment:* At end of (4) substituted "upon payment to the department of the cost of caring for the estray as determined by the department" for "without cost or expense to the owner". Amendment effective March 20, 1989.

**81-4-604. Sale at public auction — branding.** On the date specified in the notice provided for in 81-4-603, the stock inspector shall sell the estray at a public auction to the highest bidder for cash. Before removal from the sale, the stock inspector shall brand the estray with the recorded estray brand of the department.

**History: En. Sec. 3, Ch. 34, L. 1915; re-en. Sec. 3335, R.C.M. 1921; re-en. Sec. 3335, R.C.M. 1935; amd. Sec. 135, Ch. 310, L. 1974; R.C.M. 1947, 46-1003.**

**81-4-605. Expenses, how paid — disposition of proceeds of sale.** (1) Expenses for collecting, holding, advertising, and selling of the estray, including but not limited to labor, feed, supplies, and veterinary services, shall be paid out of the gross proceeds of the sale of the estray, and the balance of the proceeds of the sale shall be forwarded to the department to be advertised as estray funds in the manner provided by law. The proceeds are subject to claim by the owner of the animal for a period of 2 years from the date of the sale. If the owner of the estray claims the animal before the sale of the animal, the expense incurred by the stock inspector to that time shall be paid by the owner.

(2) The department may adopt rules and establish fees for the handling of estrays.

**History: En. Sec. 4, Ch. 34, L. 1915; re-en. Sec. 3336, R.C.M. 1921; re-en. Sec. 3336, R.C.M. 1935; amd. Sec. 136, Ch. 310, L. 1974; R.C.M. 1947, 46-1004; amd. Sec. 1, Ch. 34, L. 1979; amd. Sec. 12, Ch. 444, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Seizure and sale of hides when ownership cannot be determined — disposition of proceeds, 81-9-403.

**81-4-606. Publication of description of estrays sold — disposition of proceeds remaining in state treasury.** A full description of estrays for which the proceeds derived from the sale remains in the hands of the treasurer unclaimed shall be published for the period of two consecutive weekly, semimonthly, or monthly issues after May 1 of each year in not more than four weekly, semimonthly, or monthly publications in this state. The publications shall be designated by the department, and when the publication has been made and the proceeds from the sale of the estrays has remained in the hands of the state treasurer for a period of 2 years, it shall be, by the treasurer, upon request of the department, immediately placed to the credit of the state special revenue fund for the use of the department.

**History: En. Sec. 5, Ch. 2, L. 1911; amd. Sec. 1, Ch. 20, L. 1919; re-en. Sec. 3338, R.C.M. 1921; amd. Sec. 1, Ch. 63, L. 1927; re-en. Sec. 3338, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1941; amd. Sec. 107, Ch. 147, L. 1963; amd. Sec. 138, Ch. 310, L. 1974; R.C.M. 1947, 46-1006; amd. Sec. 1, Ch. 277, L. 1983.**

**81-4-607 through 81-4-610. Repealed.** Sec. 21, Ch. 166, L. 1989.

**Compiler's Comments**

*Histories of Repealed Sections:*

**81-4-607.** En. Sec. 1, Ch. 94, L. 1907; Sec. 1820, Rev. C. 1907; re-en. Sec. 3341, R.C.M. 1921; amd. Sec. 1, Ch. 29, L. 1923; re-en. Sec. 3341, R.C.M. 1935; amd. Sec. 1, Ch. 137, L. 1943; amd. Sec. 1, Ch. 99, L. 1957; amd. Sec. 139, Ch. 310, L. 1974; R.C.M. 1947, 46-1008.

**81-4-608.** En. Sec. 2, Ch. 94, L. 1907; Sec. 1821, Rev. C. 1907; re-en. Sec. 3342, R.C.M. 1921; re-en. Sec. 3342, R.C.M. 1935; R.C.M. 1947, 46-1010.

**81-4-609.** En. Sec. 3, Ch. 94, L. 1907; Sec. 1822, Rev. C. 1907; re-en. Sec. 3343, R.C.M. 1921; re-en. Sec. 3343, R.C.M. 1935; amd. Sec. 140, Ch. 310, L. 1974; amd. Sec. 44, Ch. 12, L. 1977; R.C.M. 1947, 46-1011.

**81-4-610.** En. Sec. 4, Ch. 94, L. 1907; Sec. 1823, Rev. C. 1907; re-en. Sec. 3344, R.C.M. 1921; re-en. Sec. 3344, R.C.M. 1935; amd. Sec. 141, Ch. 310, L. 1974; R.C.M. 1947, 46-1012.

**81-4-611 through 81-4-620 reserved.**

**81-4-621. Penalties.** Any person who shall, for his own use or benefit and without the owner's consent, take into his possession any estray shall be guilty of a misdemeanor and shall be punishable by a fine of not less than $25 or more than $100 or by imprisonment in the county jail not exceeding 60 days or by both such fine and imprisonment.

**History: (1)En. Sec. 2, Ch. 169, L. 1921; re-en. Sec. 3340, R.C.M. 1921; re-en. Sec. 3340, R.C.M. 1935; Sec. 46-1007, R.C.M. 1947; (2)En. Sec. 2, Ch. 29, L. 1923; re-en. Sec. 3341.1, R.C.M. 1935; Sec. 46-1009, R.C.M. 1947; (3)En. Sec. 5, Ch. 94, L. 1907; Sec. 1824, Rev. C. 1907; re-en. Sec. 3345, R.C.M. 1921; re-en. Sec. 3345, R.C.M. 1935; Sec. 46-1013, R.C.M. 1947; R.C.M. 1947, 46-1007, 46-1009, 46-1013; amd. Sec. 55, Ch. 557, L. 1987; amd. Sec. 18, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (2) and (3) that read: "(2) Every person, agent, firm, or corporation violating the provisions of 81-4-607 shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $300 or imprisoned in the county jail not to exceed 6 months or both fined and imprisoned.

(3) Any person, agent, firm, corporation, pool, or roundup association who shall ship cattle from this state and shall fail to make such inspection or tally at point of loading or who shall fail to file a true and correct tally, to the best of his knowledge and belief, of all the brands of cattle in such shipment with the railroad agent at the point of shipment or who shall fail to forward a true and correct copy, duly signed by him as party making the shipment, to the stock inspector at point of destination or any person who shall accompany a shipment of cattle as the shipper in charge from this state and shall fail to take a description of any and every animal taken out in transit and hand such description to the stock inspector at point of destination or any stock inspector at market points who shall fail to make inspection as provided in 81-4-609 shall be deemed guilty of a misdemeanor and shall be subject to a fine of not less than $50 or more than $500 for each and every offense. The fines so collected, except those collected in a justice's court, shall be turned into the general fund of the county where conviction is had, and any stock inspector, sheriff, or other police officer shall have power to make arrests to enforce the provisions of this part." Amendment effective March 20, 1989.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

# CHAPTER 5

# UNLAWFUL TRANSPORTING OR DRIVING OF LIVESTOCK

## Part 1 — Unlawful Driving of Animals

81-5-101. Moving livestock from customary range forbidden.
81-5-102. Driving animals upon railroad track.
81-5-103. Abandonment of sheep — penalty.
81-5-104. Stolen livestock — seizure and forfeiture of vehicle used to transport.
81-5-105. Repealed.
81-5-106. Renumbered 81-5-110 by Code Commissioner, 1985.
81-5-107. Renumbered 81-5-111 by Code Commissioner, 1985.
81-5-108. Answer to allegations concerning use of property.
81-5-109. Presumption — hearing — disposition of vehicle.
81-5-110. Sale at public auction.
81-5-111. Disposition of proceeds.
81-5-112. Permit system for transportation of sheep — penalty.

## Part 2 — Transportation of Sheep (Repealed. Sec. 2, Ch. 175, L. 1989)

**Chapter Cross-References**

Control of livestock on highway emergency area, 7-14-2129.

Control of the movement of livestock on or near county roads, 7-14-2130.

Establishment and alteration of stock lanes, 7-14-2621.

Employment of stock inspector, 7-21-3211 through 7-21-3213.

Acquisition of highways property — stock lanes or trails affected, 60-4-103.

Livestock on highways, Title 60, ch. 7.

Motor vehicles — operation of motor vehicles transporting stock directly across highways — traffic regulation and vehicle equipment, 61-8-101, 61-9-101.

Special fees — livestock hauling vehicles — certain farm vehicles, 61-10-204, 61-10-206.

Unlawful use of aircraft, 67-1-204.

Necessary livestock caretakers — train travel free or at reduced rates, 69-11-208.

Carriers of property — liability provisions respecting livestock, 69-11-421, 69-11-422.

Motor carriers — transportation of livestock, 69-12-405.

Injury to transported livestock — time limit for notification, 69-14-216.

Transportation and protection of livestock by railroads, Title 69, ch. 14, part 7; 69-14-801.

Effect of designation or acquisition of "natural areas", 76-12-111.

Rangeland resources, Title 76, ch. 14.

Grazing districts, Title 76, ch. 16.

Agricultural and grazing leases, Title 77, ch. 6.

## Part 1

## Unlawful Driving of Animals

**Part Cross-References**

Use of snowmobiles controlled, 23-2-633.

**81-5-101. Moving livestock from customary range forbidden.** Every person who willfully moves or causes to be moved any cattle, horses, mules, swine, llamas, bison, or sheep from their customary range without the permission of the owner thereof is punishable by imprisonment in the county jail not exceeding 90 days or by fine not exceeding $100, or both.

**History: En. Sec. 1, Ch. 60, L. 1919; re-en. Sec. 11549, R.C.M. 1921; re-en. Sec. 11549, R.C.M. 1935; Sec. 94-3568, R.C.M. 1947; redes. 46-3002 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 46-3002; amd. Sec. 1, Ch. 18, L. 1983; amd. Sec. 19, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted reference to swine, llamas, and bison. Amendment effective March 20, 1989.

**81-5-102. Driving animals upon railroad track.** If a person willfully drives an animal upon a railroad track with intent to injure the corporation or persons owning the railroad and such animal is killed or injured thereby, the person is punishable by a fine not exceeding $50,000 or imprisonment in the state prison not exceeding 5 years, or both, and is liable for all injury or damage occasioned by reason of such act.

**History: Ap. p. Sec. 1191, Pen. C. 1895; re-en. Sec. 8865, Rev. C. 1907; re-en. Sec. 11555, R.C.M. 1921; re-en. Sec. 11555, R.C.M. 1935; redes. 46-3003 by Sec. 29, Ch. 513, L. 1973; Sec. 46-3003, R.C.M. 1947; Ap. p. Sec. 724, 5th Div. Comp. Stat. 1887; amd. Sec. 957, Civ. C. 1895; re-en. Sec. 4316, Rev. C. 1907; re-en. Sec. 6547, R.C.M. 1921; re-en. Sec. 6547, R.C.M. 1935; Sec. 72-408, R.C.M. 1947; R.C.M. 1947, 46-3003, 72-408; amd. Sec. 4, Ch. 14, L. 1979; amd. Sec. 7, Ch. 198, L. 1981.**

**Cross-References**

Protection of livestock and agricultural resources, Title 69, ch. 14, part 7.

**81-5-103. Abandonment of sheep — penalty.** Every person who, having, by virtue of his employment as herder, driver, or otherwise, the charge or custody of any sheep, shall willfully abandon the same or allow them to stray from his charge or custody shall, upon conviction, be punished by a fine of not less than $100 or by imprisonment of not less than 3 months or more than 1 year, or by both such fine and imprisonment; provided, that if the person so in the charge or custody of such sheep shall have given to the owner of such sheep, or his authorized agent, at least 5 days' notice of his intention to quit his employment, he shall not be deemed to have abandoned such sheep, within the meaning of this section, by leaving the same after the expiration of such period.

**History: En. Sec. 1, Ch. 116, L. 1909; re-en. Sec. 11550, R.C.M. 1921; re-en. Sec. 11550, R.C.M. 1935; Sec. 94-35-200, R.C.M. 1947; redes. 46-3004 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 46-3004.**

**81-5-104. Stolen livestock — seizure and forfeiture of vehicle used to transport.** (1) The use of any vehicle for the transportation of any stolen mule, horse, mare, colt, foal, filly, sheep, lamb, cow, calf, heifer, steer, bull, llama, bison, hogs, poultry, or the products of any thereof is unlawful, and such vehicle shall be forfeited to the state. Any vehicle found in such use or upon probable cause believed to be devoted wholly or in part to such use shall be seized and held.

(2) Within 45 days after the seizure, any peace officer or officer of the agency that seizes any property shall file a petition to institute forfeiture proceedings with the clerk of the district court of the county in which the seizure occurs. The clerk shall issue a summons at the request of the petitioning party, who shall cause the same to be served upon all owners or claimants of the property by one of the following methods:

(a) upon an owner or claimant whose address is known, by personal service of a copy of the petition and summons as provided in the Montana Rules of Civil Procedure;

(b) upon an owner or claimant whose address is unknown but who is believed to have an interest in the property, by publication of the summons in one issue of a newspaper of general circulation in the county where the seizure occurred or, if there is no such newspaper, by publication in one issue of a newspaper of general circulation in an adjoining county, and by mailing a copy of the petition and summons to the most recent address of such owner or claimant, if any, shown in the records of the division of motor vehicles.

(3) A vehicle is not subject to forfeiture under this section if:

(a) it is a stolen vehicle at the time it is used for such unlawful transportation; or

(b) the owner thereof is not in collusion with the party or parties guilty of the theft.

**History: En. Sec. 1, Ch. 80, L. 1931; re-en. Sec. 11552.1, R.C.M. 1935; amd. Sec. 1, Ch. 132, L. 1963; Sec. 94-35-204, R.C.M. 1947; redes. 46-3005 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 46-3005; amd. Sec. 4, Ch. 563, L. 1985; amd. Sec. 20, Ch. 166, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) inserted reference to llama and bison. Amendment effective March 20, 1989.

**Cross-References**

Service of process, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

**81-5-105. Repealed.** Sec. 9, Ch. 563, L. 1985.

**History: En. Sec. 3, Ch. 80, L. 1931; re-en. Sec. 11552.3, R.C.M. 1935; Sec. 94-35-206, R.C.M. 1947; redes. 46-3007 by Sec. 29, Ch. 513, L. 1973; amd. Sec. 57, Ch. 12, L. 1977; R.C.M. 1947, 46-3007.**

**81-5-106. Renumbered 81-5-110 by Code Commissioner, 1985.**

**81-5-107. Renumbered 81-5-111 by Code Commissioner, 1985.**

**81-5-108. Answer to allegations concerning use of property.** Within 20 days after the service of the petition and summons or publication of the summons, as provided in 81-5-104, the owner or claimant of the seized property shall file a verified answer to the allegations concerning the use of the property contained in the petition to institute forfeiture proceedings. Only one 20-day extension of the time for filing the answer may be granted, and failure to answer within 20 days or within the 20-day extension bars the owner or claimants from presenting evidence at any subsequent evidentiary hearing unless extraordinary circumstances exist.

**History:** En. Sec. 5, Ch. 563, L. 1985.

**81-5-109. Presumption — hearing — disposition of vehicle.** (1) There is a rebuttable presumption of forfeiture as to all property used for the transportation of the livestock as provided in 81-5-104.

(2) If a verified answer to the petition is not filed within 20 days after the service of the petition and summons, the court upon motion shall order the property forfeited to the state.

(3) If a verified answer is filed within 20 days, a hearing on the petition for forfeiture must be set without a jury not less than 60 days after the answer is filed. Notice of the hearing must be given in the manner provided for service of petition and summons.

(4) If the court finds a vehicle was not used for the purpose charged or that it was used without the consent or knowledge of the owner, it shall order the property released to the owner of record on the date of the seizure. If the court finds the vehicle was used for the purpose charged and was used with the knowledge and consent of the owner, the property must be ordered forfeited.

**History:** En. Sec. 6, Ch. 563, L. 1985.

**Cross-References**

Disputable presumptions, 26-1-602.

**81-5-110. Sale at public auction.** Vehicles forfeited under 81-5-109 shall be sold at public auction in the manner of sales of personal property under execution and may be sold by any sheriff, livestock inspector, or other peace officer.

**History:** En. Sec. 4, Ch. 80, L. 1931; re-en. Sec. 11552.4, R.C.M. 1935; Sec. 94-35-207, R.C.M. 1947; redes. 46-3008 by Sec. 29, Ch. 513, L. 1973; R.C.M. 1947, 46-3008; amd. Sec. 7, Ch. 563, L. 1985; Sec. 81-5-106, MCA 1983; redes. 81-5-110 by Code Commissioner, 1985.

**Cross-References**

Sale on execution, Title 25, ch. 13, part 7.

**81-5-111. Disposition of proceeds.** The officer making the sale, after deducting the expenses of keeping the property and the cost of the sale so far as the balance of sale proceeds permit, shall pay all liens, according to their priorities, which are established, by intervention or otherwise in the proceedings, as being bona fide and as having been created without the lienor having any notice or reasonable cause to believe that the vehicle was being or was to be used for the illegal transportation and shall pay the balance of the proceeds to the treasurer of this state to be credited to the department of livestock fund.

**History:** **En. Sec. 2, Ch. 80, L. 1931; re-en. Sec. 11552.2, R.C.M. 1935; Sec. 94-35-205, R.C.M. 1947; redes. 46-3006 by Sec. 29, Ch. 513, L. 1973; amd. Sec. 200, Ch. 310, L. 1974; R.C.M. 1947, 46-3006; Sec. 81-5-107, MCA 1983; redes. 81-5-111 by Code Commissioner, 1985.**

**Cross-References**

Department of Livestock fund, 17-2-106.

Liens — general provisions, Title 71, ch. 3, part 1.

**81-5-112.** *(Temporary)* **Permit system for transportation of sheep — penalty.** (1) The department shall adopt rules imposing a permit system for the transportation of sheep within or out of the state if it finds that a permit system is necessary to prevent theft of sheep. The rules must establish fees commensurate with the department's cost of operating the permit system.

(2) A person who purposely or knowingly transports sheep in violation of rules adopted under subsection (1) is guilty of a misdemeanor and shall be punished by a fine not exceeding $1,000 or imprisonment in the county jail for a term not exceeding 6 months, or both. *(Terminates September 30, 1993—sec. 4, Ch. 175, L. 1989.)*

**History:** **En. Sec. 1, Ch. 175, L. 1989.**

## Part 2

## Transportation of Sheep (Repealed. Sec. 2, Ch. 175, L. 1989)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**81-5-201.** (1)En. Sec. 1, Ch. 135, L. 1963; amd. Sec. 110, Ch. 310, L. 1974; Sec. 46-809, R.C.M. 1947; (2)En. Sec. 2, Ch. 135, L. 1963; amd. Sec. 111, Ch. 310, L. 1974; Sec. 46-810, R.C.M. 1947; R.C.M. 1947, 46-809, 46-810.

**81-5-202.** En. Sec. 3, Ch. 135, L. 1963; amd. Sec. 112, Ch. 310, L. 1974; R.C.M. 1947, 46-811; amd. Sec. 13, Ch. 444, L. 1983.

**81-5-203.** En. Sec. 4, Ch. 135, L. 1963; amd. Sec. 113, Ch. 310, L. 1974; R.C.M. 1947, 46-812.

**81-5-204.** En. Sec. 5, Ch. 135, L. 1963; amd. Sec. 114, Ch. 310, L. 1974; R.C.M. 1947, 46-813.

# CHAPTER 6

# LIVESTOCK PROTECTIVE ASSOCIATIONS

### Part 1 — Livestock Protective Committees

81-6-101. Petition for county livestock protective committee — members — term.
81-6-102. Organization of committee — officers — meetings.
81-6-103. Powers and duties of committee.
81-6-104. Tax levy — special fund.
81-6-105. Special livestock deputy — duties — compensation.
81-6-106. Discontinuing county livestock protective committee.
81-6-107. Cooperation with committee by adjoining county.
81-6-108. County participation in defraying part of administrative expenses.

### Part 2 — Cattle Protective Districts

81-6-201. Formation of districts in two or more counties authorized — petition of cattle owners — declaration by county commissioners.

81-6-202. Selection of cattle protective committee members.
81-6-203. Powers and duties of protective committees.
81-6-204. Tax levy — deposit of proceeds.
81-6-205. Removal of area from protective district — discontinuance of district — levy saved.
81-6-206. Formation of county district authorized — petition of cattle owners — declaration by county commissioners.
81-6-207. Selection of cattle protective committee members.
81-6-208. Powers and duties of protective committees.
81-6-209. Tax levy — deposit of proceeds.
81-6-210. Discontinuance of district — levy saved.

**Part 3 — Livestock Crimestoppers**

81-6-301. Short title.
81-6-302. Definitions.
81-6-303 through 81-6-310 reserved.
81-6-311. Functions of commission.
81-6-312. Compensation.
81-6-313. Powers and duties of department — rules.
81-6-314. Confidentiality.

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**Chapter Cross-References**

Special levies on commodities for livestock protection, Art. XII, sec. 1, Mont. Const.

Employment of stock inspectors by Board of County Commissioners, 7-21-3211.

County control of dogs harassing or injuring livestock, 7-23-2109.

Livestock per capita tax levy, 15-24-921.

Patrol officers' authority to stop livestock or livestock products in transit — suspicion of stolen goods, 44-1-1004.

Use of snare traps so as not to unduly endanger livestock, 87-3-107.

Use of spotlights to aid hunting limited, 87-3-122.

## Part 1

## Livestock Protective Committees

**81-6-101. Petition for county livestock protective committee — members — term.** (1) The board of county commissioners must, upon receipt of a petition or petitions to do so, set up a county livestock protective committee of three members. The petition or petitions must be signed by at least 51% of the owners of cattle in the county, and such petitioners must own at least 55% of the cattle in the county.

(2) Members appointed to serve on such committee shall be residents of the county engaged in the business of raising cattle. If there be in the county any organization of cattle growers, the county commissioners shall give preference to names submitted by any such group for appointment to such committee. The term for which said committee members shall be appointed shall be 2 years with two members of the first committee named to serve for 2 years, one member to serve for 1 year. Members of such committee shall receive no remuneration or reimbursement for expenses for serving on said committee.

(3) By "organization of cattle growers", as used in this section, is meant any group or organization holding regular meetings at least annually, having officers, and composed predominantly of cattle growers resident in the county, with its membership open to cattle growers willing to abide by its governing rules or bylaws, and its general purpose being the promotion of the interests of its members in matters pertaining to the cattle or livestock industry.

(4) If owners of sheep in the county desire to come under the provisions of this part in cooperation with owners of cattle, they shall file a like petition to that set out herein for owners of cattle, and in such case at least one member of said livestock protective committee shall be a sheep grower and where the word "cattle" appears in this part, it shall be deemed to comprehend also the word "sheep".

(5) Owners of sheep alone may form a county livestock protective committee, in which case the word "cattle" as in this part contained shall be considered as if it were the word "sheep"; and provided further that the levy as provided in 81-6-104 hereof shall, in the case of sheep, not exceed 5 cents per head.

**History: En. Sec. 1, Ch. 168, L. 1953; R.C.M. 1947, 46-2701; amd. Sec. 6, Ch. 660, L. 1987.**

**Cross-References**

Selection of Cattle Protective Committee members, 81-6-202, 81-6-207.

**81-6-102. Organization of committee — officers — meetings.** Said county livestock protective committee shall upon appointment and annually thereafter organize by election of a chairman and a secretary. Meetings of the committee shall be held at the call of the chairman or any two members of the committee. Minutes of all meetings of the committee shall be kept by the secretary. Such minutes shall be presented at the ensuing meeting of the committee and upon approval thereof shall be signed by the chairman and secretary and immediately thereafter deposited with the county clerk and recorder and kept available for public inspection.

**History: En. Sec. 2, Ch. 168, L. 1953; R.C.M. 1947, 46-2702.**

**81-6-103. Powers and duties of committee.** The county livestock protective committee shall advise, assist, and cooperate with the department of livestock, the board of county commissioners, the sheriff, and all other public officials or police officers who have duties pertaining to hide and brand inspection, apprehension of livestock rustlers, the prevention of rustling, enforcement of laws governing the movement and sale of livestock, the treatment and prevention of livestock diseases, and other matters which are of interest and value to the livestock industry in the county.

**History: En. Sec. 3, Ch. 168, L. 1953; amd. Sec. 180, Ch. 310, L. 1974; R.C.M. 1947, 46-2703.**

**Cross-References**

Authority concerning livestock or livestock products in transit, 44-1-1004.

Illegal branding or altering or obscuring a brand, 45-6-327.

Disease control — powers of Department, 81-2-102.

Duties of state stock inspector and deputy stock inspectors, 81-3-203.

**81-6-104. Tax levy — special fund.** The county livestock protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the county on January 1, and the board of county commissioners shall thereupon be empowered to levy such tax, to be collected as other taxes on personal property and when collected to be deposited by the county treasurer in a special fund to be known as the stockmen's special deputy fund, together with any other funds made available from county, state, federal, or private sources for the purposes of this part.

**History: En. Sec. 4, Ch. 168, L. 1953; amd. Sec. 1, Ch. 10, L. 1955; amd. Sec. 4, Ch. 388, L. 1975; R.C.M. 1947, 46-2704; amd. Sec. 1, Ch. 258, L. 1979; amd. Sec. 7, Ch. 660, L. 1987.**

**Cross-References**

Department of Agriculture, Art. XII, sec. 1, Mont. Const.

Tax provisions relating to livestock, 15-1-101; 15-6-136; 15-6-207; 15-7-202; 15-8-201; 15-8-706; 15-24-103; 15-24-301; 15-24-302; Title 15, ch. 24, part 9; 15-30-201.

Individual income tax provisions relating to livestock, 15-30-201.

**81-6-105. Special livestock deputy — duties — compensation.** The county livestock protective committee may recommend to the board of county commissioners the appointment of a special livestock deputy, satisfactory to the department and the sheriff, whose duties are to assist the department and the sheriff in the enforcement of hide and brand inspection laws, laws governing the movement and sale of livestock and the treatment and prevention of livestock diseases, laws pertaining to the apprehension of livestock rustlers and the prevention of rustling, and other laws which are of particular concern to the livestock industry of the county, particularly as regards cattle. The special livestock deputy may receive a commission from the department and appointment as a deputy from the sheriff of the county and shall give the bond for the faithful performance of his duties as required from officers performing similar duties. The special livestock deputy shall receive compensation for his services and for mileage traveled in the performance of his duties in an amount set by the board of county commissioners on the recommendation of the committee, to be paid from the stockmen's special deputy fund and from the county general fund in the proportions set by the board of county commissioners.

**History: En. Sec. 5, Ch. 168, L. 1953; amd. Sec. 181, Ch. 310, L. 1974; R.C.M. 1947, 46-2705.**

**Cross-References**

Qualifications of Deputy Sheriff, 7-32-2104.

Illegal branding or altering or obscuring a brand, 45-6-327.

Disease control — powers of Department, 81-2-102.

Duties of state stock inspector and deputy stock inspectors, 81-3-203.

**81-6-106. Discontinuing county livestock protective committee.** Upon receipt of a petition or petitions signed as provided in 81-6-101, the board of county commissioners shall discontinue said county livestock protective committee, provided, however, that such action in discontinuing said committee shall not affect any levy made prior to the receipt of such petition or petitions and the proceeds of any levy made shall be used for the purposes as in this part set out. No district shall be discontinued so long as there is any outstanding indebtedness against it.

**History: En. Sec. 6, Ch. 168, L. 1953; amd. Sec. 2, Ch. 204, L. 1967; R.C.M. 1947, 46-2706.**

**81-6-107. Cooperation with committee by adjoining county.** The board of county commissioners of any county adjoining a county availing itself of the provisions of this part may cooperate in the administration of this part.

**History: En. Sec. 7, Ch. 168, L. 1953; R.C.M. 1947, 46-2707.**

**Cross-References**

Interlocal agreements, Title 7, ch. 11, part 1.

**81-6-108. County participation in defraying part of administrative expenses.** Nothing in this part shall be construed to limit or deprive the board of county commissioners to participate in defraying a part of the expense of the administration of this part.

**History: En. Sec. 8, Ch. 168, L. 1953; R.C.M. 1947, 46-2708.**

## Part 2

## Cattle Protective Districts

**81-6-201. Formation of districts in two or more counties authorized — petition of cattle owners — declaration by county commissioners.** A cattle protective district embracing all or parts of two or more counties may be formed upon the filing of petitions by the cattle growers of such counties with the boards of county commissioners of each county to be wholly or partially included in the district. Such petitions must be signed by at least 51% of the cattle owners owning 55% of cattle for the protection of which the district is to be formed residing within the area designated as part of the district in each of the counties affected. Upon receipt of such a petition, each board of county commissioners must within 30 days declare the designated portion of its county a part of such cattle protective district, and the district shall be formed immediately upon the action of the last board of county commissioners to act.

**History: En. Sec. 1, Ch. 181, L. 1963; R.C.M. 1947, 46-2801.**

**Cross-References**

Interlocal agreements, Title 7, ch. 11, part 1.

**81-6-202. Selection of cattle protective committee members.** Each county wholly or partially included in such district shall be entitled to three members of the district cattle protective committee who shall be chosen in the same manner as members of county cattle protective committees under 81-6-101.

**History: En. Sec. 2, Ch. 181, L. 1963; R.C.M. 1947, 46-2802.**

**81-6-203. Powers and duties of protective committees.** District cattle protective committees shall be organized and have the same powers and duties as the county cattle protective committees organized under the provisions of part 1 of this chapter.

**History: En. Sec. 3, Ch. 181, L. 1963; R.C.M. 1947, 46-2803.**

**81-6-204. Tax levy — deposit of proceeds.** The district cattle protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the district on January 1, and the board of county commissioners shall thereupon be empowered to levy such tax, to be collected as other taxes on personal property and when collected to be deposited in the county treasury of one of the counties in the district, to be selected by the district cattle protective committee, in a special fund to be known as the stockmen's special deputy fund, together with any other funds made available from county, state, federal, or private sources for the purposes of this part.

**History: En. Sec. 4, Ch. 181, L. 1963; amd. Sec. 5, Ch. 388, L. 1975; R.C.M. 1947, 46-2804; amd. Sec. 2, Ch. 258, L. 1979; amd. Sec. 8, Ch. 660, L. 1987.**

**Cross-References**

Agriculture, Art. XII, sec. 1, Mont. Const.

**81-6-205. Removal of area from protective district — discontinuance of district — levy saved.** Upon receipt of a petition or petitions signed in the same number and the same manner as the petition to form the district provided for in 81-6-201, a board of county commissioners shall remove the area in its county from the cattle protective district or the boards of county commissioners of all of the counties affected may discontinue the entire cattle protective district, provided, however, that such action in discontinuing said district or part of district shall not affect any levy made prior to the receipt of such petition or petitions and the proceeds of any levy made shall be used for the purposes as in this part set out. No district or portion of such district shall be discontinued so long as there is any outstanding indebtedness against it.

**History:** **En. Sec. 5, Ch. 181, L. 1963; amd. Sec. 1, Ch. 204, L. 1967; R.C.M. 1947, 46-2805.**

**81-6-206. Formation of county district authorized — petition of cattle owners — declaration by county commissioners.** A cattle protective district embracing part of one county in the state of Montana may be formed upon the filing of a petition by cattle growers within said district with the board of county commissioners in said county. Such petition must be signed by at least 51% of the cattle owners owning 55% of the cattle for the protection of which the district is to be formed residing within the area designated. Upon receipt of such petition, the board of county commissioners must within 30 days declare the designated portion of its county a cattle protective district and the district shall be formed immediately thereafter.

**History:** **En. Sec. 1, Ch. 91, L. 1965; R.C.M. 1947, 46-2806.**

**81-6-207. Selection of cattle protective committee members.** Each cattle protective district shall be entitled to three members, who shall be chosen in the same manner as members of a county cattle protective committee under 81-6-101.

**History:** **En. Sec. 2, Ch. 91, L. 1965; R.C.M. 1947, 46-2807.**

**81-6-208. Powers and duties of protective committees.** Such district cattle protective committees shall be organized and have the same powers and duties as the county cattle protective committees organized under the provisions of part 1 of this chapter.

**History:** **En. Sec. 3, Ch. 91, L. 1965; R.C.M. 1947, 46-2808.**

**81-6-209. Tax levy — deposit of proceeds.** The district cattle protective committee may recommend to the board of county commissioners the levy of a tax in an amount not to exceed 50 cents per head on all cattle 9 months of age or older in the district on January 1, and the board of county commissioners shall thereupon be empowered to levy such tax, to be collected as other taxes on personal property and when collected to be deposited in the county treasury in a special fund to be known as the stockmen's special deputy fund, together with any other funds made available from county, state, federal, or private sources for the purposes of this part.

**History:** **En. Sec. 4, Ch. 91, L. 1965; amd. Sec. 6, Ch. 388, L. 1975; R.C.M. 1947, 46-2809; amd. Sec. 3, Ch. 258, L. 1979; amd. Sec. 9, Ch. 660, L. 1987.**

**81-6-210. Discontinuance of district — levy saved.** Upon receipt of a petition or of petitions signed in the same number and in the same manner as the petition to form the district, as herein provided, the board of county commissioners shall discontinue the cattle protective district, provided, however, that such action in discontinuing said district shall not affect any levy made prior to the receipt of such petition or petitions and the proceeds of any levy made shall be used for the purposes as in this part set out. No district or portion of such district shall be discontinued so long as there is any outstanding indebtedness against it.

**History:** En. Sec. 5, Ch. 91, L. 1965; amd. Sec. 3, Ch. 204, L. 1967; R.C.M. 1947, 46-2810.

## Part 3

## Livestock Crimestoppers

**Part Cross-References**

Livestock Crimestoppers Commission, 2-15-3104.

**81-6-301. Short title.** This part may be cited as the "Livestock Crimestoppers Act".

**History:** En. Sec. 1, Ch. 571, L. 1983.

**81-6-302. Definitions.** As used in this part, the following definitions apply:

(1) "Commission" means the livestock crimestoppers commission created in 2-15-3104.

(2) "Department" means the department of livestock created in Title 2, chapter 15, part 31.

(3) "Program" means the livestock crimestoppers program created under 81-6-313.

**History:** En. Sec. 2, Ch. 571, L. 1983.

**81-6-303 through 81-6-310 reserved.**

**81-6-311. Functions of commission.** The commission shall recommend to the department:

(1) the names of individuals to be rewarded for providing information used in detecting and combating livestock-related crimes;

(2) the amount of any reward recommended; and

(3) means for promoting the program.

**History:** En. Sec. 5, Ch. 571, L. 1983.

**81-6-312. Compensation.** Members of the commission may receive no salary but must be paid expenses incurred while on official business, as provided for in 2-18-501 through 2-18-503.

**History:** En. Sec. 4, Ch. 571, L. 1983.

**81-6-313. Powers and duties of department — rules.** (1) The department shall:

(a) create, maintain, and promote a statewide livestock crimestoppers program in order to assist law enforcement agencies in detecting and combating livestock-related crimes; and

(b) consider the commission's recommendations and take action on them.

(2) The department may:

(a) advise and assist in the creation and maintenance of local programs;

(b) encourage the channeling of information from the programs to law enforcement agencies;

(c) foster the detection of livestock-related crimes by the public;

(d) encourage the public, through a reward program or otherwise, to provide information that assists in the prosecution of livestock-related crimes;

(e) promote the state and local programs through the media;

(f) accept gifts, grants, or donations for the furtherance of the program and spend these in compliance with the conditions of the gifts, grants, or donations; and

(g) adopt rules necessary to administer the provisions of this part.

**History: En. Secs. 6, 7, Ch. 571, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-6-314. Confidentiality.** The identity of a person submitting information under the program and any information that may lead to the disclosure of such identity is confidential.

**History: En. Sec. 8, Ch. 571, L. 1983.**

**Cross-References**

Right of privacy, Art. II. sec. 10, Mont. Const.

# CHAPTER 7

# PREDATORY ANIMAL CONTROL

## Part 1 — Predatory Animal Control

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**Chapter Cross-References**

Special levies on commodities for predator control, Art. XII, sec. 1, Mont. Const.

County contribution to state special revenue fund for predatory animal control, 7-21-2105.

County agricultural and livestock services, Title 7, ch. 21, part 32.

Provisions concerning county cooperation with Department of Livestock in control of noxious rodents and related animals, Title 7, ch. 22, part 22.

Livestock per capita tax levy, 15-24-921.

Approval of bounty claims for wild animals, 87-1-206.

Regulation of wild animals damaging property, 87-1-225.

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Use of aircraft or boats for predator control, 87-3-126.

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Predatory animals — fur dealers, Title 87, ch. 4, part 3.

Killing of predatory birds destroying livestock permitted, 87-5-209.

## Part 1

## Predatory Animal Control

**81-7-101. Definition.** For the purpose of this part the term "wild animal" shall include coyote, lynx, and any other animal causing depredations upon livestock.

**History: En. Sec. 1, Ch. 73, L. 1923; re-en. Sec. 3417.1, R.C.M. 1935; amd. Sec. 2, Ch. 27, L. 1974; amd. Sec. 2, Ch. 67, L. 1975; amd. Sec. 5, Ch. 235, L. 1977; R.C.M. 1947, 46-1902.**

**81-7-102. Department to supervise destruction of predatory animals — cooperation with other agencies — administration of moneys.** (1) The department of livestock shall conduct the destruction, extermination, and control of wild animals predatory in nature and capable of killing, destroying, maiming, or injuring domestic livestock or domestic poultry, and the protection and safeguarding of livestock and poultry in this state against depredations from these animals. The department shall formulate the practical programs for accomplishing these objectives in this state and for carrying out the programs in an efficient and practical manner responsive to the need for control in each area of this state.

(2) The department shall adopt rules applicable to predatory animal control which are necessary and proper for the systematic destruction of the wild animals by hunting, trapping, and poisoning operations and payments of bounties. The department shall make field, area, range, or other orders and instructions, including orders and instructions to hunter and trapper personnel and others, which are appropriate in the various areas at different seasons of the year, taking into consideration the habits, presence, migrations, or movements of the animals and their attacks on livestock and poultry, either singly or in packs or bands.

(3) The department shall cooperate with authorized representatives of the federal government, including the biological survey and the fish and wildlife service, the department of fish, wildlife, and parks, boards of county commissioners, voluntary associations of stockgrowers, sheepgrowers, ranchers, farmers, and sportsmen, and corporations and individuals, in the systematic destruction of wild animals by hunting, trapping, and poisoning operations.

(4) This section and 81-7-103 do not interfere with or impair the power and duties of the department of fish, wildlife, and parks in the control of predatory animals by the department of fish, wildlife, and parks as authorized by law, or the obligation of the department of fish, wildlife, and parks to expend its funds in cooperation with the department for predatory animal control as required by law. Funds of the department of fish, wildlife, and parks for the cooperative predatory animal control shall be administered and expended by the department of fish, wildlife, and parks.

**History: En. Sec. 2, Ch. 73, L. 1923; re-en. Sec. 3417.2, R.C.M. 1935; amd. Sec. 1, Ch. 113, L. 1947; amd. Sec. 98, Ch. 147, L. 1963; amd. Sec. 21, Ch. 100, L. 1973; amd. Sec. 3, Ch. 27, L. 1974; amd. Sec. 150, Ch. 310, L. 1974; amd. Sec. 3, Ch. 67, L. 1975; amd. Sec. 6, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 46-1903(1), (3); amd. Sec. 2, Ch. 218, L. 1979.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Powers and duties of Department of Fish, Wildlife, and Parks, 87-1-201, 87-1-206.

Obligation of Department of Fish, Wildlife, and Parks to expend funds for predatory animal control in cooperation with the Department of Livestock, 87-1-206.

**81-7-103. Administration of funds by the department.** The department shall administer and expend for predatory animal extermination and control all money which is made available to it, including the money allocated for this purpose under 81-7-104 and all money which is made available to the department by appropriations made by the legislature for predatory animal control by the department. The department shall expend the funds for predatory animal control by all effective means responsive to the necessities of control in various areas of the state, including employment of hunters, trappers, and other personnel, procurement of traps, poisons, equipment, and supplies, and payment of bounties in the discretion of the department at those times of the year it considers advisable.

**History: Ap. p. Sec. 2, Ch. 73, L. 1923; re-en. Sec. 3417.2, R.C.M. 1935; amd. Sec. 1, Ch. 113, L. 1947; amd. Sec. 98, Ch. 147, L. 1963; amd. Sec. 21, Ch. 100, L. 1973; amd. Sec. 3, Ch. 27, L. 1974; amd. Sec. 150, Ch. 310, L. 1974; amd. Sec. 3, Ch. 67, L. 1975; amd. Sec. 6, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 46-1903, R.C.M. 1947; Ap. p. Sec. 4 ½, Ch. 73, L. 1923; re-en. Sec. 2081.1, R.C.M. 1935; amd. Sec. 4, Ch. 422, L. 1975; Sec. 84-5215, R.C.M. 1947; R.C.M. 1947, 46-1903(2), 84-5215; amd. Sec. 10, Ch. 660, L. 1987.**

**81-7-104. Predator control moneys — use of proceeds.** (1) The department of livestock shall allocate a portion of the money from the levy under 15-24-921 for the purpose of protecting livestock in the state against destruction, depredation, and injury by wild animals, whether the livestock is on lands in private ownership, in the ownership of the state, or in the ownership of the United States, including open ranges and all lands in or of the public domain. This protection may be by any means of effective predatory animal destruction, extermination, and control, including systematic hunting and trapping and payment of bounties.

(2) Money shall be paid out only on claims duly and regularly presented to the department of livestock and approved by the department in accordance with the law applicable either to claims for bounties or for other expenditures necessary and proper for predatory animal control by means and methods other than payment of bounties, as determined by the department. Money designated for predator control shall be available for the payment of bounty claims and for expenditures for planned, seasonal, or other campaigns directed or operated by the department in cooperation with other agencies for the systematic destruction, extermination, and control of predatory wild animals, as determined by the department and its advisory committee. No claims may be approved in excess of moneys available for such purposes, and no warrants may be registered against the moneys.

**History: En. Sec. 6, Ch. 127, L. 1915; re-en. Sec. 2081, R.C.M. 1921; amd. Sec. 4, Ch. 73, L. 1923; amd. Sec. 2, Ch. 152, L. 1929; re-en. Sec. 2081, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1947; amd. Sec. 103, Ch. 147, L. 1963; amd. Sec. 54, Ch. 100, L. 1973; amd. Sec. 108, Ch. 405, L. 1973; amd. Sec. 3, Ch. 422, L. 1975; amd. Sec. 62, Ch. 566, L. 1977; R.C.M. 1947, 84-5214; amd. Sec. 2, Ch. 445, L. 1981; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 11, Ch. 660, L. 1987.**

**Cross-References**

Taxation — collection procedures, 15-24-302.

**81-7-105. Disposition of proceeds from sale of skins, hides, and specimens — presenting to museums.** Furs, skins, and specimens taken by hunters or trappers shall be sold by the department. The proceeds from the sales shall be credited to the state special revenue fund. The proceeds shall be used to carry out the provisions of 81-7-101 through 81-7-105. Specimens may be presented free of charge to a state museum or institution.

**History: En. Sec. 3, Ch. 73, L. 1923; re-en. Sec. 3417.3, R.C.M. 1935; amd. Sec. 99, Ch. 147, L. 1963; amd. Sec. 151, Ch. 310, L. 1974; R.C.M. 1947, 46-1904; amd. Sec. 1, Ch. 277, L. 1983.**

**81-7-106 through 81-7-110 reserved.**

**81-7-111. Evidence of killing by bounty claimant.** (1) Any person killing any of the aforesaid animals, except mountain lions, to obtain bounty thereon shall within 30 days of the date of the killing:

(a) exhibit the entire skin or skins of the said animal or animals, including the entire head with ears, the tail, and all four paws to the bounty inspector nearest to the locality in which the animal or animals were killed; and

(b) at the same time file with the bounty inspector, as hereinafter provided, an affidavit setting forth:

(i) that he killed the animal or animals from which the skin or skins were taken;

(ii) that the same was killed nearer to or, if more than one hide is presented, that the greater number were killed nearer to the residence of the said bounty inspector to which the same was presented than to any other bounty inspector; and

(iii) the county or counties in which said animals were killed.

(2) Any person killing any mountain lion to obtain bounty thereon shall present the same to a bounty inspector as provided in this section for wolves and coyotes, except that, in addition to the requirements of this section, the skins of mountain lions shall also contain the entire skin of the lower jaw, which shall be severed by the bounty inspector and thereafter treated in the same manner as scalps of wolves and coyotes herein provided.

(3) Every bounty inspector appointed under the provisions of 81-7-111 through 81-7-122 shall be empowered to administer oaths to any and all persons making any affidavit as aforesaid.

**History:** En. Sec. 2, Ch. 109, L. 1925; re-en. Sec. 3417.5, R.C.M. 1935; R.C.M. 1947, 46-1906.

**81-7-112. Bounty inspectors.** The sheriff of a county and undersheriffs and deputy sheriffs located at the county seat but not elsewhere shall receive and examine skins and pelts presented for bounty in their respective counties. The sheriff shall receive 10 cents for each skin examined, this amount to be paid by the owner of the skin.

**History:** En. Sec. 3, Ch. 109, L. 1925; re-en. Sec. 3417.6, R.C.M. 1935; amd. Sec. 152, Ch. 310, L. 1974; R.C.M. 1947, 46-1907(part).

**Cross-References**

Duties of Sheriff, 7-32-2121.

**81-7-113. Claim for bounty.** (1) A sheriff, undersheriff, and deputy sheriff, to prevent fraud, shall carefully examine each skin presented. If the examination discloses that the scalp and ears with the skin from the entire head of the animal have not been severed, punched, patched, or marked, he shall, in the presence of the person presenting the skin, mark the skin by severing the skin from the head, including the ears, and then redeliver the skin to the person presenting it and shall require an affidavit from the claimant that the claimant killed the animal. The affidavit shall be on forms prescribed by the department and contain information the department requires.

(2) The officer shall require affidavits from two resident taxpayers residing in the vicinity in which the animal was killed, setting forth that they are resident taxpayers on livestock, giving their post-office addresses, and stating that they are personally acquainted with the person presenting the skin and, to their knowledge, the person did kill the animal from which the

skin was taken within 30 days preceding the offering of the skin for a bounty to the sheriff, undersheriff, or deputy sheriff to which it is presented. A taxpayer who makes a false certificate or affidavit under this section in a material portion is guilty of a felony, punishable the same as for the crime of perjury.

**History:** En. Sec. 3, Ch. 109, L. 1925; re-en. Sec. 3417.6, R.C.M. 1935; amd. Sec. 152, Ch. 310, L. 1974; R.C.M. 1947, 46-1907(part).

**Cross-References**

Penalty for perjury, 45-7-201.

**81-7-114. Certificate and record of sheriff.** (1) The officer shall at the same time make out and deliver to the person a certificate addressed to the county clerk of his county and immediately deliver to the county clerk a duplicate of the certificate, showing the date, number, and kind of skins marked for severing and the name of the person presenting the skins. The certificate shall also recite that the filing of the affidavits of taxpayers previously required has been done and the examination has been made as required. The certificate shall be signed by the officer in his official capacity. When a doubt exists as to the kind of skin presented, whether wolf or coyote, the certificate shall be issued for the lesser bounty. Each sheriff shall keep a record of all skins marked and severed, showing the date, number, and kinds and the names of the persons presenting the skins. This record is an official record. The sheriff, undersheriff, or deputy sheriff may not perform any duties under 81-7-111 through 81-7-122 except at the county seat.

(2) The sheriff shall, not later than the 15th of each month, give to the county clerk and recorder a report setting forth the names of the persons presenting skins, with the number of the certificate and the kind and number of the skins presented. The sheriff shall report for each certificate which he has issued during the month.

**History:** En. Sec. 3, Ch. 109, L. 1925; re-en. Sec. 3417.6, R.C.M. 1935; amd. Sec. 152, Ch. 310, L. 1974; R.C.M. 1947, 46-1907(part).

**81-7-115. Duty of county clerk.** (1) The county clerk shall, on receipt of each certificate, file the certificate in the order in which it is received and safely keep it until the arrival of the skin or skins mentioned in the certificate. On receipt of the skin or skins he shall call to his assistance either the county treasurer or, in his absence, the clerk of the district court who, with both present in order to prevent fraud, shall examine each scalp or mountain lion lower jaw skin. If the examination discloses that the scalps or lower jaw skins agree with the number and kind of scalps or lower jaw skins mentioned in the certificate, the county clerk shall, in the presence of the treasurer or clerk of the district court, destroy the scalps or lower jaw skins by fire.

(2) The county clerk shall then make out and deliver to the person named in that certificate a second certificate showing the statement of the facts contained in the certificate to the sheriff, undersheriff, or deputy sheriff, with the additional statement of the examination made by him and that he found the scalps or lower jaw skins to agree with the number and kind mentioned in the certificate of the sheriff, undersheriff, or deputy sheriff. In no case may a bounty certificate be issued by the county clerk for more scalps or lower jaw skins than are actually received and counted by him.

(3) The county clerk shall receive, for each scalp or skin of a mountain lion lower jaw which he accounts for, the sum of 5 cents to be paid quarterly by the state treasurer out of the bounty fund.

(4) The county clerk shall keep a record of all certificates received and issued, showing the date and description of the number and kind of hides and the names of the persons presenting the hides, and this record is an official record. County clerks are required to send a report and statement to the department on or before the 20th of each month.

**History: En. Sec. 3, Ch. 109, L. 1925; re-en. Sec. 3417.6, R.C.M. 1935; amd. Sec. 152, Ch. 310, L. 1974; R.C.M. 1947, 46-1907(3); amd. Sec. 5, Ch. 14, L. 1979.**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

**81-7-116. Bounty claims and certificates to be filed with department.** Bounty claims and certificates issued by the county clerk and recorders under 81-7-115 shall be filed with the department and registered in a book provided for that purpose.

**History: En. Sec. 4, Ch. 109, L. 1925; re-en. Sec. 3417.7, R.C.M. 1935; amd. Sec. 153, Ch. 310, L. 1974; R.C.M. 1947, 46-1908.**

**81-7-117. Department to examine claims and certificates — approval or disapproval of claims.** The department shall examine and investigate every bounty claim and certificate filed with the department. When it makes the examination and investigation, the department may require the holder of a certificate or claim to furnish the department with the additional evidence or proof about the certificate or claim which the department considers necessary. The evidence may be either oral or documented, as required by the department. The department shall, after making the examination and investigation, endorse on the certificate or claim its approval or disapproval of it, and if the certificate or claim or any part of it is disapproved, the endorsement shall state the reasons for the disapproval. If a certificate or claim is approved, it shall be processed as provided by law.

**History: En. Sec. 5, Ch. 109, L. 1925; re-en. Sec. 3417.8, R.C.M. 1935; amd. Sec. 23, Ch. 97, L. 1961; amd. Sec. 154, Ch. 310, L. 1974; R.C.M. 1947, 46-1909.**

**81-7-118. Levy of tax for purpose of paying bounty claims — limitation on levy.** The department of revenue shall annually prescribe the levy recommended by the department to be made against livestock of all classes for paying for the destruction of wild animals killed in this state. The tax in any 1 year may not exceed 7.5 mills on the taxable value of the livestock. The money received shall be used only for the payment of claims approved by the department for the destruction of wild animals and for the administration of 81-7-111 through 81-7-122. The money received for the taxes levied shall be sent annually with other taxes to the state treasurer by the county treasurer of each county. When the money is received by the state treasurer, it shall be placed in the state special revenue fund and may then be paid out on claims approved under the law governing the payment of claims.

**History: En. Sec. 10, Ch. 109, L. 1925; re-en. Sec. 3417.13, R.C.M. 1935; amd. Sec. 24, Ch. 97, L. 1961; amd. Sec. 101, Ch. 147, L. 1963; amd. Sec. 156, Ch. 310, L. 1974; amd. Sec. 42, Ch. 566, L. 1977; R.C.M. 1947, 46-1914; amd. Sec. 1, Ch. 277, L. 1983.**

**81-7-119. County license money to be used for predator control.** For the purpose of providing for predator control, 5% of all license money collected by the several county treasurers of the state, as provided in 7-21-2105, as amended shall be paid over by the county treasurers to the state treasurer and shall be deposited by the latter in the state special revenue fund.

**History:** En. Sec. 3075, Pol. C. 1895; re-en. Sec. 1909, Rev. C. 1907; amd. Sec. 1, Ch. 13, L. 1921; re-en. Sec. 3414, R.C.M. 1921; re-en. Sec. 3414, R.C.M. 1935; amd. Sec. 97, Ch. 147, L. 1963; R.C.M. 1947, 46-1901; amd. Sec. 6, Ch. 14, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.

**81-7-120. Use of funds remaining after payment of bounties — sale of furs, skins, and specimens — presentation to museums.** (1) If, at the end of a bounty paying season, there is surplus money available for the administration of 81-7-111 through 81-7-122, the surplus may be used to hire salaried hunters and trappers to hunt and trap predatory animals and to purchase and supply poison to be used for a poison campaign on predatory animals.

(2) All furs, skins, and specimens taken by hunters or trappers whose salaries are paid in whole or in part out of this money shall be sold by the department, and the proceeds from these sales shall be credited to the state special revenue fund. These funds shall be used to carry out 81-7-111 through 81-7-122. Specimens may be presented free of charge to a state museum or institution.

**History:** En. Sec. 8, Ch. 109, L. 1925; re-en. Sec. 3417.11, R.C.M. 1935; amd. Sec. 100, Ch. 147, L. 1963; amd. Sec. 155, Ch. 310, L. 1974; R.C.M. 1947, 46-1912; amd. Sec. 1, Ch. 277, L. 1983.

**81-7-121. Falsifying certificates or affidavits — penalty.** Any person who falsely makes, alters, forges, or counterfeits any of the certificates or orders and any person who falsely swears to any affidavit provided for by 81-7-111 through 81-7-122 or procures the same to be done by another, with the intent of obtaining any one of the certificates or orders, is punishable as provided in Title 45.

**History:** En. Sec. 9, Ch. 109, L. 1925; re-en. Sec. 3417.12, R.C.M. 1935; R.C.M. 1947, 46-1913; amd. Sec. 7, Ch. 14, L. 1979.

**Cross-References**

Falsification of certificates or falsely sworn affidavits — criminal penalty, 45-6-325, 45-7-202, 45-7-203.

**81-7-122. Penalty for fraudulent claims.** Any person or persons who shall patch up any skin or scalp or who shall present any punched or patched skin or scalp or who shall bring in any skin or skins from other states or territory with the intent to obtain the bounty on the same fraudulently or any officer who shall sign any certificate herein provided for without first counting the skins and examining the same to determine the kind of skins and to see that the skin from the scalp or head is properly severed and preserved as hereinbefore provided or shall evade or violate any provision of any law of the state of Montana relative to bounties or bounty claims shall be deemed guilty of a misdemeanor and, on conviction thereof, shall be punished by a fine not exceeding $1,000 or by imprisonment in the county jail not exceeding 1 year or by both such fine and imprisonment and two-thirds of the fine, if the same be collected or can be collected, shall be given to the informer and the balance be deposited in the state special revenue fund and used for the administration of 81-7-111 through 81-7-122.

**History:** En. Sec. 11, Ch. 109, L. 1925; re-en. Sec. 3417.14, R.C.M. 1935; amd. Sec. 102, Ch. 147, L. 1963; R.C.M. 1947, 46-1915; amd. Sec. 1, Ch. 277, L. 1983.

## Part 2

## County Bounty Program

**Part Cross-References**

Taxation — collection procedures, 15-24-302.

**81-7-201. County levy for bounties on predatory animals.** Whenever the owners, agent, or agents of the owners representing 51% of the livestock of any county in this state present a petition to the board of county commissioners of such county asking for the levy of a tax upon the livestock of the county for the purpose of paying bounties on predatory animals killed in the county, it is the duty of the board of county commissioners to make the levy, which may not exceed 50 mills on the dollar of the taxable value of all livestock in the county. The tax shall be assessed and collected in the same manner as all other state and county taxes.

**History:** En. Sec. 1, Ch. 180, L. 1921; re-en. Sec. 2082, R.C.M. 1921; re-en. Sec. 2082, R.C.M. 1935; amd. Sec. 63, Ch. 566, L. 1977; R.C.M. 1947, 84-5216.

**81-7-202. Signers of petition — time for presenting — limitation on bounties — bounty inspectors.** (1) The petition provided for in 81-7-201 shall be signed by the owners, agent, or agents of not less than 51% of the livestock of such county as ascertained from the assessment books of such county and shall recommend to the board of county commissioners the bounties to be paid on such predatory animals, which shall not exceed the following:

(a) on each wolf or mountain lion, $100;
(b) on each wolf pup or mountain lion kitten, $20;
(c) on one coyote, $5;
(d) on each coyote pup, $2.50.

(2) Such petition shall be presented not later than August 1 of each year, and the board of county commissioners on determining the sufficiency of such petition shall make an order granting such petition, which order shall fix the levy for that year and the amount of the bounties to be paid for the killing of each such predatory animal, which shall not exceed the amounts recommended in such petition, and appoint not less than 10 or more than 20 stockowners of such county to be bounty inspectors under this part, without compensation, who shall hold their offices for 1 year.

**History:** En. Sec. 2, Ch. 180, L. 1921; re-en. Sec. 2083, R.C.M. 1921; amd. Sec. 1, Ch. 37, L. 1923; re-en. Sec. 2083, R.C.M. 1935; R.C.M. 1947, 84-5217.

**81-7-203. County bounty fund.** The tax collected under this part shall be credited by the county treasurer to a fund to be known as "county bounty fund" and shall be paid out by him upon properly drawn warrants issued thereon by the county clerk.

**History:** En. Sec. 3, Ch. 180, L. 1921; re-en. Sec. 2084, R.C.M. 1921; re-en. Sec. 2084, R.C.M. 1935; R.C.M. 1947, 84-5218.

**81-7-204. Presentation of skins — affidavit.** Any person claiming bounty on any predatory animal under this part shall present the green skin or pelt of such animal, with all four feet attached thereto, to any one of the bounty inspectors provided for in 81-7-202 and shall make an affidavit that such animal was killed within the county where the bounty is claimed, which affidavit shall be corroborated by at least two reputable stockowners of such county to the effect that they know or have good cause to believe that such animal was killed within such county. For the purpose of this part, each bounty inspector provided for in this part shall be empowered to administer oaths. The bounty inspector shall endorse upon such affidavit his approval or disapproval of such claim and shall cut from such skin or pelt the four feet. The person applying for such bounty shall then present the affidavit, with the endorsements thereon, to the county auditor or, in counties not having an auditor, to the county clerk, who shall attach the same to a claim against said county bounty fund and present it to the board of county commissioners for action, the same as any other claim against the county.

**History:** En. Sec. 4, Ch. 180, L. 1921; re-en. Sec. 2085, R.C.M. 1921; re-en. Sec. 2085, R.C.M. 1935; R.C.M. 1947, 84-5219.

**81-7-205. County clerk to provide forms.** The county clerk shall provide the necessary forms of affidavits and claims for carrying out the provisions of this part.

**History:** En. Sec. 5, Ch. 180, L. 1921; re-en. Sec. 2086, R.C.M. 1921; re-en. Sec. 2086, R.C.M. 1935; R.C.M. 1947, 84-5220.

**81-7-206. Existing bounty laws not affected.** Nothing in this part contained shall be construed as interfering with, in any way, or repealing any part of the existing laws of the state relative to the levying of taxes for and paying of the bounties on predatory animals under such state laws.

**History:** En. Sec. 6, Ch. 180, L. 1921; re-en. Sec. 2087, R.C.M. 1921; re-en. Sec. 2087, R.C.M. 1935; R.C.M. 1947, 84-5221.

## Part 3

## County Predator Control for Protection of Sheep

**81-7-301. Definition.** The word "owners" or "persons" shall include natural persons, partnerships, corporations, trusts, and estates.

**History:** En. Sec. 2, Ch. 206, L. 1943; amd. Sec. 1, Ch. 123, L. 1949; amd. Sec. 1, Ch. 87, L. 1957; amd. Sec. 1, Ch. 87, L. 1965; amd. Sec. 1, Ch. 261, L. 1977; R.C.M. 1947, 46-2102(part).

**81-7-302. County commissioners to conduct predatory animal control program for protection of sheep.** For the protection of sheep against depredations peculiar to such animals, the board of county commissioners of any county shall upon the recommendation of organized associations of sheep growers in the county have power, either alone or in conjunction with other counties, to conduct a predatory animal control program for the protection of sheep in such county or counties.

**History:** En. Sec. 1, Ch. 206, L. 1943; R.C.M. 1947, 46-2101.

**81-7-303. County commissioners permitted to require per capita license fee on sheep.** (1) To defray the expense of such protection the board of county commissioners of any county shall have the power to require all owners or persons in possession of any sheep coming 1 year old or over in the county on the regular assessment date of each year to pay a license fee in an amount to be determined by the board on a per head basis for sheep so owned or possessed by him in the county. All owners or persons in possession of any sheep coming 1 year old or over coming into the county after the regular assessment date and subject to taxation under the provisions of 15-24-301 shall also be subject to payment of the license fee herein prescribed.

(2) Upon the order of the board of county commissioners such license fees may be imposed by the entry thereof in the name of the licensee upon the property tax rolls of the county by the county assessor. Said license fees shall be payable to and collected by the county treasurer, and when so levied, shall be a lien upon the property, both real and personal, of the licensee. In case the person against whom said license fee is levied owns no real estate against which said license fee is or may become a lien, then said license fee shall be payable immediately upon its levy and the treasurer shall collect the same in the manner provided by law for the collection of personal property taxes which are not a lien upon real estate.

(3) When collected, said fees shall be placed by the treasurer in the predatory animal control fund and the moneys in said fund shall be expended on order of the board of county commissioners of the county for predatory animal control only.

**History: En. Sec. 2, Ch. 206, L. 1943; amd. Sec. 1, Ch. 123, L. 1949; amd. Sec. 1, Ch. 87, L. 1957; amd. Sec. 1, Ch. 87, L. 1965; amd. Sec. 1, Ch. 261, L. 1977; R.C.M. 1947, 46-2102(part); amd. Sec. 1, Ch. 9, L. 1981.**

**81-7-304. Proceeds of furs and skins taken.** All furs, skins, and so forth taken by the expenditure of license funds shall be sold and the proceeds of such sale deposited in said predatory animal control fund for the use in carrying out the purpose of this part.

**History: En. Sec. 3, Ch. 206, L. 1943; R.C.M. 1947, 46-2103.**

**81-7-305. Duty of county commissioners — petition of sheep owners — license fees.** (1) In conducting a predatory animal control program, the board of county commissioners shall give preference to recommendations for such program and its incidents as made by organized associations of sheep growers in the county. Upon petition of the resident owners of at least 51% of the sheep in the county, as shown by the assessment rolls of the last preceding assessment, which petition shall be filed with the board of county commissioners on or before the first Monday in December in any year, such board shall establish the predatory animal control program and cause said licenses to be secured and issued and the fees collected for the following year in such amount as will defray the cost of administering the program so established. The license fee determined and set by the board shall remain in full force and effect from year to year without change, unless there is filed with the board a petition subscribed by the resident owners of at least 51% of the sheep in the county, as shown by the assessment rolls of the last assessment preceding the filing of the petition, for termination of the program and repeal of the license fee, in which event the program shall by order of the board of county commissioners be disestablished and the license fee shall not be further levied.

(2) If the resident owners of at least 51% of the sheep in the county either petition for an increase in the license fee or petition for a decrease in the license fee then in force, the board of county commissioners shall upon receipt of any such petition fix a new license fee to continue from year to year and the program shall thereupon continue within the limits of the aggregate amount of the license fee as collected from year to year.

**History:** En. Sec. 4, Ch. 206, L. 1943; amd. Sec. 1, Ch. 24, L. 1949; amd. Sec. 2, Ch. 87, L. 1957; amd. Sec. 2, Ch. 87, L. 1965; amd. Sec. 2, Ch. 261, L. 1977; R.C.M. 1947, 46-2104; amd. Sec. 2, Ch. 9, L. 1981.

## Part 4

## Dogs

**Part Cross-References**

Domestic animal control and protection, Title 7, ch. 23.

**81-7-401. Killing of dogs destroying or injuring stock — notice to owner.** Any dog, whether licensed or not, which, while off the premises owned or under control of its owner, shall kill, wound, or injure any livestock not belonging to the master of such dog shall be deemed to be a public nuisance and may be killed forthwith by any person, or the owner, when notified, shall kill such dog within 24 hours, and if he fails to do so, an officer may be notified and shall kill or cause to be killed such dog. Nothing contained herein shall apply to any dog acting under the direction of its master or the agents or employees of such master.

**History:** En. Sec. 1, Ch. 142, L. 1933; re-en. Sec. 3417.15, R.C.M. 1935; R.C.M. 1947, 46-1916.

**Cross-References**

Public nuisances, Title 27, ch. 30, part 2.

**81-7-402. Liability of owner of dog for damages to livestock or poultry.** (1) The owner of livestock or poultry injured or killed by any dog may recover as liquidated damages from the owner of the dog the actual value of the animals killed or the value of the damages sustained by reason of the injuries as the case may be. If two or more dogs kept by two or more owners or keepers injure or kill any livestock or poultry at the same time, the owners or keepers of the dogs are jointly and severally liable for such damages. It is no defense to the action that the owner or keeper of the dog had no knowledge of the dog's whereabouts at or prior to the time when the dog injured or killed livestock or poultry or that the owner or keeper of the dog had no knowledge of the dog's disposition or inclination to worry, kill, or injure livestock or poultry.

(2) The word "owner" when used in this section in relation to property interest in or possession of dogs includes every person who owns, harbors, or keeps a dog.

**History:** En. Secs. 14, 15, Ch. 280, L. 1959; R.C.M. 1947, 16-4614, 16-4615; amd. Sec. 8, Ch. 14, L. 1979.

**81-7-403. Dogging livestock.** Any person who permits or directs any dog owned by him or in his possession to chase or run any cattle or other livestock of which he is not the owner or the person in charge upon the open range or government lands or away from any watering place upon the open range is guilty of a misdemeanor and punishable by a fine of not more than $50.

**History: En. Sec. 1, Ch. 110, L. 1903; re-en. Sec. 8861, Rev. C. 1907; re-en. Sec. 11552, R.C.M. 1921; re-en. Sec. 11552, R.C.M. 1935; Sec. 94-3567, R.C.M. 1947; redes. 46-3001 by Sec. 29, Ch. 513, L. 1973; amd. Sec. 56, Ch. 12, L. 1977; R.C.M. 1947, 46-3001.**

## Part 5

## Aerial Hunting of Predatory Animals

**Part Cross-References**

Restrictions on use of aircraft or boats, 87-3-126.

**81-7-501. Aerial hunting prohibited — exceptions.** (1) Except as provided in 81-7-505, no person except an employee of the state, its subdivisions, or the federal government, acting within the scope of his employment, may engage in the aerial hunting of wild animals, as defined in 81-7-101, without first obtaining a permit from the department of livestock. The permit must specify the species of wild animals to be hunted and the geographic areas over which aerial hunting may take place.

(2) No person issued a permit as required by this section may engage in aerial hunting of wild animals in violation of the terms of his permit, the rules promulgated by the board of livestock, or the terms of this part.

**History: En. Sec. 1, Ch. 704, L. 1979; amd. Sec. 1, Ch. 333, L. 1983.**

**81-7-502. Rulemaking authority.** The department of livestock may adopt rules to effectuate the purposes of this part and to implement and conduct the aerial hunting permit system provided for by this part.

**History: En. Sec. 2, Ch. 704, L. 1979.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-7-503. Residency requirement.** No person not having residence and domicile in Montana may be issued a permit provided for in 81-7-501 except when authorized by the board of livestock. Permits issued to nonresidents may be used only:

(1) in Montana counties adjacent to the state line that the department of livestock has determined are inadequately serviced by resident permittees; or

(2) on real property in Montana owned by the nonresident permittee.

**History: En. Sec. 4, Ch. 704, L. 1979; amd. Sec. 2, Ch. 333, L. 1983.**

**Cross-References**

Rules for determining residence, 1-1-215.

**81-7-504. Duration of permit — fee.** The department of livestock shall establish a fee for the permit, and each permit shall be valid for a period set by the department not to exceed 3 years. All fees for permits shall be paid to the department of livestock for deposit in the state treasury to the credit of the state special revenue fund for predatory animal control.

**History:** **En. Sec. 3, Ch. 704, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 14, Ch. 444, L. 1983.**

**81-7-505. Resident landowners authorized to aerially hunt over their own lands without permit — conditions.** Any landowner having residence and domicile in Montana may engage in the aerial hunting of wild animals, as defined in 81-7-101, over his own land without a permit, provided he annually notifies the department in writing that he will be engaged in aerial hunting and gives an adequate description of the location of the land over which he will aerially hunt. Such hunting must be in accordance with all rules of the department of livestock.

**History:** **En. Sec. 5, Ch. 704, L. 1979; amd. Sec. 3, Ch. 333, L. 1983.**

**81-7-506. Prohibition against harassing livestock.** While engaged in flying an aircraft, no person, whether or not lawfully authorized to aerially hunt, may knowingly harass, injure, or attempt to injure any livestock except with the express permission of the owner of that livestock.

**History:** **En. Sec. 5, Ch. 333, L. 1983.**

**81-7-507 through 81-7-510 reserved.**

**81-7-511. Penalty — revocation of permit.** Any person convicted of violating a provision of this part is punishable by a fine of not less than $500 or more than $1,000. In addition, the permit, if any, of such person must be revoked for such period as the court may determine.

**History:** **En. Sec. 6, Ch. 704, L. 1979; amd. Sec. 4, Ch. 333, L. 1983.**

**81-7-512. Enforcement.** (1) Investigations of violations of this part, arrests, and seizures may be made by any peace officer, or agent of the department designated by the department.

(2) To enforce this part, the department may enter into agreement with federal agencies with predatory animal control. Such agreements may allow the federal agency to assist in investigations, arrests, and seizures.

**History:** **En. Sec. 7, Ch. 704, L. 1979.**

# CHAPTER 8

# MARKETING

### Part 1 — Livestock Markets
### (Repealed. Sec. 37, Ch. 566, L. 1979)

### Part 2 — Livestock Markets and Dealers

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81-8-213. Definitions.
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81-8-233. Title warranty of livestock sold.
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### Part 3 — Security Interests Concerning Livestock

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81-8-302. Contents of notices.
81-8-303. Duty of secured parties to file satisfactions of security agreements.
81-8-304. Fees.
81-8-305. Department of livestock not responsible for collection or payment of money under security agreements.
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81-8-315. Sale of property under supplementary writ.

### Part 4 — Sale of Baby Animals

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81-8-608. Purchaser's delivery of invoice to producers — form — filing of sworn statement — payment of assessment.
81-8-609. Receipt of gifts, grants, or donations for research purposes.
81-8-610. Research and marketing account — sources — use — expenditures.
81-8-611. Contracts for carrying out research, promotion, and marketing of swine.
81-8-612. Violation — penalty.
81-8-613. Repealed.

### Part 7 — Quality Label

81-8-701. Definitions.
81-8-702. Montana quality label.
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81-8-704. Procurement and use of labels — information concerning — disposal of moneys.
81-8-705. Wrongful use of label — penalty — injunction — prosecutions.

### Part 8 — Beef Research and Marketing (Repealed. Sec. 21, Ch. 166, L. 1989)

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**Chapter Cross-References**

Appropriation of money to promote county agricultural services, 7-21-3201.

Public markets, Title 7, ch. 21, part 33.

Town or city power to regulate inspection and sale of meat and poultry, 7-21-4202.

Certain livestock exempt from taxation, 15-6-207.

Livestock taxation provisions, Title 15, ch. 24, part 9.

Unborn animals and growing crops included in Uniform Commercial Code definition of "goods", 30-2-105, 30-9-105.

Passage of title when cattle shipped interstate, 30-2-401.

"Farm products" defined — Uniform Commercial Code, 30-9-109.

Attachment of security interest in young of livestock, 30-9-204.

Commission merchants, Title 30, ch. 11, part 4.

Sale of livestock products, Title 30, ch. 12, part 4.

Meat, poultry, and seafood to be sold by weight, 30-12-401.

Agricultural associations, Title 35, ch. 16.

Cooperative agricultural marketing, Title 35, ch. 17.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

Sale of agricultural products and livestock by institutions, Title 53, ch. 1, part 3.

Fees for farm vehicles, 61-10-206.

Injury to transported livestock — time limit for notification, 69-14-216.

Livestock not "produce" under produce wholesaler's laws, 80-3-601.

Marketing of agricultural products, including livestock and livestock products, Title 80, ch. 11, part 1.

## Part 1

## Livestock Markets (Repealed. Sec. 37, Ch. 566, L. 1979)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**81-8-101.** En. Sec. 1, Ch. 193, L. 1945; amd. Sec. 118, Ch. 310, L. 1974; amd. Sec. 1, Ch. 292, L. 1975; amd. Sec. 30, Ch. 12, L. 1977; R.C.M. 1947, 46-906.

**81-8-102.** En. Sec. 3, Ch. 193, L. 1945; amd. Sec. 120, Ch. 310, L. 1974; amd. Sec. 34, Ch. 12, L. 1977; R.C.M. 1947, 46-908.

**81-8-103.** En. Sec. 4, Ch. 193, L. 1945; amd. Sec. 121, Ch. 310, L. 1974; amd. Sec. 1, Ch. 44, L. 1977; R.C.M. 1947, 46-909.

**81-8-104.** En. 46-909.1 by Sec. 1, Ch. 192, L. 1977; R.C.M. 1947, 46-909.1.

**81-8-105.** En. Sec. 6, Ch. 193, L. 1945; amd. Sec. 95, Ch. 147, L. 1963; amd. Sec. 123, Ch. 310, L. 1974; amd. Sec. 36, Ch. 12, L. 1977; R.C.M. 1947, 46-911.

**81-8-106.** En. Sec. 7, Ch. 193, L. 1945; amd. Sec. 124, Ch. 310, L. 1974; amd. Sec. 37, Ch. 12, L. 1977; amd. Sec. 2, Ch. 44, L. 1977; R.C.M. 1947, 46-912.

**81-8-107.** En. Sec. 10, Ch. 193, L. 1945; amd. Sec. 127, Ch. 310, L. 1974; amd. Sec. 39, Ch. 12, L. 1977; R.C.M. 1947, 46-915.

**81-8-108.** En. Sec. 12, Ch. 193, L. 1945; amd. Sec. 1, Ch. 231, L. 1947; amd. Sec. 129, Ch. 310, L. 1974; amd. Sec. 41, Ch. 12, L. 1977; R.C.M. 1947, 46-917.

**81-8-109.** En. 46-906.1 by Sec. 2, Ch. 292, L. 1975; amd. Sec. 31, Ch. 12, L. 1977; R.C.M. 1947, 46-906.1.

**81-8-110 through 81-8-120** reserved.

**81-8-121.** En. Sec. 2, Ch. 193, L. 1945; amd. Sec. 119, Ch. 310, L. 1974; amd. Sec. 32, Ch. 12, L. 1977; R.C.M. 1947, 46-907.

**81-8-122.** En. Sec. 9, Ch. 193, L. 1945; amd. Sec. 126, Ch. 310, L. 1974; R.C.M. 1947, 46-914.

**81-8-123.** En. Sec. 2, Ch. 96, L. 1907; Sec. 1816, Rev. C. 1907; re-en. Sec. 3329, R.C.M. 1921; re-en. Sec. 3329, R.C.M. 1935; amd. Sec. 115, Ch. 310, L. 1974; R.C.M. 1947, 46-902.

**81-8-124.** En. Sec. 3, Ch. 96, L. 1907; Sec. 1817, Rev. C. 1907; re-en. Sec. 3330, R.C.M. 1921; re-en. Sec. 3330, R.C.M. 1935; amd. Sec. 116, Ch. 310, L. 1974; amd. Sec. 29, Ch. 12, L. 1977; R.C.M. 1947, 46-903(part).

**81-8-125.** (1), (2)En. Sec. 1, Ch. 96, L. 1907; Sec. 1815, Rev. C. 1907; amd. Sec. 1, Ch. 21, L. 1909; re-en. Sec. 3328, R.C.M. 1921; re-en. Sec. 3328, R.C.M. 1935; Sec. 46-901, R.C.M. 1947; (3)En. Sec. 8, Ch. 193, L. 1945; amd. Sec. 125, Ch. 310, L. 1974; amd. Sec. 38, Ch. 12, L. 1977; Sec. 46-913, R.C.M. 1947; R.C.M. 1947, 46-901, 46-913.

**81-8-126.** En. Sec. 3, Ch. 96, L. 1907; Sec. 1817, Rev. C. 1907; re-en. Sec. 3330, R.C.M. 1921; re-en. Sec. 3330, R.C.M. 1935; amd. Sec. 116, Ch. 310, L. 1974; amd. Sec. 29, Ch. 12, L. 1977; R.C.M. 1947, 46-903(part).

**81-8-127.** En. 46-907.1 by Sec. 3, Ch. 292, L. 1975; amd. Sec. 33, Ch. 12, L. 1977; R.C.M. 1947, 46-907.1.

**81-8-128.** En. Sec. 14, Ch. 193, L. 1945; R.C.M. 1947, 46-919.

**81-8-129.** En. Sec. 11, Ch. 193, L. 1945; amd. Sec. 128, Ch. 310, L. 1974; amd. Sec. 40, Ch. 12, L. 1977; R.C.M. 1947, 46-916.

**81-8-130.** En. Sec. 13, Ch. 193, L. 1945; amd. Sec. 130, Ch. 310, L. 1974; R.C.M. 1947, 46-918.

**81-8-131.** En. Sec. 1, Ch. 34, L. 1969; amd. Sec. 131, Ch. 310, L. 1974; R.C.M. 1947, 46-918.1.

**81-8-132.** En. Sec. 15, Ch. 193, L. 1945; amd. Sec. 132, Ch. 310, L. 1974; amd. Sec. 42, Ch. 12, L. 1977; R.C.M. 1947, 46-920.

**81-8-133.** En. Sec. 16, Ch. 193, L. 1945; amd. Sec. 43, Ch. 12, L. 1977; R.C.M. 1947, 46-921.

## Part 2

## Livestock Markets and Dealers

**Part Cross-References**

Jurisdiction of Justices' Courts over misdemeanor violations, 3-10-303.

**81-8-201 through 81-8-210. Repealed.** Sec. 37, Ch. 566, L. 1979.

**Compiler's Comments**

*Histories of Repealed Sections:*

**81-8-201 through 81-8-204.** En. Sec. 1 through 3, 7, Ch. 414, L. 1971; amd. Sec. 182 through 184, 190, Ch. 310, L. 1974; R.C.M. 1947, 46-2901 through 46-2903, 46-2907.

**81-8-205.** En. 46-2903.1 by Sec. 185, Ch. 310, L. 1974; R.C.M. 1947, 46-2903.1

**81-8-206.** En. 46-2903.2 by Sec. 186, ch. 310, L. 1974; amd. Sec. 1, Ch. 17. L. 1977; R.C.M. 1947, 46-2903.2.

**81-8-207 through 81-8-209.** En. Sec. 4 through 6, Ch. 414, L. 1971; amd. Sec. 187 through 189, Ch. 310, L. 1974; R.C.M. 1947, 46-2904 through 46-2906.

**81-8-210.** En. 46-2906.1 by Sec. 2, Ch. 190, L. 1977; R.C.M. 1947, 46-2906.1.

**81-8-211. Short title.** This part may be cited as the "Montana Livestock Marketing Act".

**History: En. Sec. 1, Ch. 566, L. 1979.**

**81-8-212. Purpose.** The purpose of this part is to:

(1) simplify, clarify, and modernize the law governing livestock marketing businesses and livestock marketing transactions;

(2) encourage, stimulate, and stabilize the livestock economy of the state; and

(3) promote open, free, and competitive factors in the marketplace in relation to all market conditions involving the sale and purchase of livestock.

**History:** En. Sec. 2, Ch. 566, L. 1979.

**81-8-213. Definitions.** As used in this part, the following definitions apply:

(1) "Board" means the board of livestock provided for in 2-15-3102.

(2) "Department" means the department of livestock provided for in Title 2, chapter 15, part 31.

(3) "Immediate resale" means a sale of livestock within 60 days of the purchase of the livestock.

(4) "Livestock" means cattle, calves, hogs, pigs, horses, mules, sheep, lambs, and goats.

(5) "Livestock dealer" means a person engaged in the business of purchasing livestock for immediate resale or interstate shipment.

(6) "Livestock market" means a place where a person for compensation assembles livestock for sale, except:

(a) a place used solely for a dispersal sale of the livestock of a farmer, dairyman, livestock breeder, or feeder who is discontinuing business and at which no other livestock is sold or offered for sale;

(b) a farm, ranch, or place where livestock either raised or kept thereon for the grazing season or for fattening is sold and to which no other livestock is brought for sale or to be offered for sale;

(c) the premises of a butcher, packer, or processor who receives animals exclusively for immediate slaughter;

(d) the premises of a person engaged in the raising of livestock for breeding purposes only, who limits his sale to livestock of his own production;

(e) a place where a breeder or an association of breeders of livestock of any class assembles and offers for sale and sells under his or its own management any livestock, when the breeder or association of breeders assumes all responsibility for the sale and the title of livestock sold.

(7) "Person" means an individual, firm, association, partnership, or corporation.

(8) "Test station sale" means the sale of livestock from a place where livestock is taken to measure rates of gain under uniform feeding conditions when that place is not owned by the owner of the livestock.

**History:** En. Sec. 3, Ch. 566, L. 1979; amd. Sec. 2, Ch. 52, L. 1985; amd. Sec. 1, Ch. 401, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Inserted definition of immediate resale; substituted definition of livestock dealer for former definition that read: ""Livestock dealer" means a person engaged in the business of buying or selling livestock. It does not include a farmer or rancher who buys or sells livestock in the ordinary course of his farming or ranching operation"; and made minor changes in form. Amendment effective April 1, 1989.

**81-8-214. Regulation of certain nonmarket sales.** (1) A person not a livestock market operator authorized under this part conducting the sale of livestock in a breed sale, a breed association sale, or at a test station sale, except when all of the livestock are his and are being sold from his own place, shall obtain approval from the department before conducting the sale.

(2) The department, as conditions to granting approval, may require:

(a) the names and addresses of those conducting the sale;

(b) the date and time when and the place where the sale will be conducted;

(c) a detailed statement of the assets and liabilities of the persons conducting the sale;

(d) the establishment of a custodial account into which all money received for the sale of livestock must be deposited;

(e) the posting of a reasonable bond in an amount determined by the department;

(f) the commissions or charges proposed to be imposed on the owners of livestock for services associated with the sale;

(g) a guarantee to pay all consignors in full within a reasonable time as set by the department;

(h) such other information as the department considers necessary.

**History:** **En. Sec. 16, Ch. 566, L. 1979.**

**81-8-215. Quarantine of diseased animals.** If the livestock inspector at a sale finds any livestock afflicted with an infectious or contagious disease, he shall immediately take possession of the livestock and place it in quarantine, to be disposed of as directed by the department.

**History:** **En. Sec. 21, Ch. 566, L. 1979.**

**Cross-References**

Disease control, Title 81, ch. 2.

**81-8-216. Penalties.** (1) A person who knowingly violates any provision of 81-8-214, 81-8-215, 81-8-251 through 81-8-256, and 81-8-258 through 81-8-263 or rules adopted by the department under 81-8-231 is guilty of a misdemeanor and upon conviction shall be fined not less than $100 or more than $600, imprisoned in the county jail not less than 30 days or more than 6 months, or both. A person convicted of a subsequent violation of 81-8-214, 81-8-215, 81-8-251 through 81-8-256, and 81-8-258 through 81-8-263 or rules adopted to implement those sections shall be fined not less than $200 or more than $1,000, imprisoned in the county jail for not less than 3 months or more than 6 months, or both, and the department may cancel his certificate.

(2) Of all fines assessed and collected under this section, except those assessed and collected in a justice's court, 50% shall be paid into the state treasury and credited to the special revenue fund for the use of the department and 50% shall be paid into the general revenue fund of the county in which the conviction occurred.

(3) A person who knowingly fails to establish and properly use a custodial account resulting in a failure to account for or to remit money belonging to others under this chapter is, upon conviction, guilty of a felony.

**History:** **En. Sec. 24, Ch. 566, L. 1979; amd. Sec. 3, Ch. 52, L. 1985; amd. Sec. 142, Ch. 370, L. 1987; amd. Sec. 56, Ch. 557, L. 1987; amd. Sec. 1, Ch. 279, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning of (1) inserted "knowingly"; and inserted (3) setting penalty for misuse and abuse of a custodial account.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

**81-8-217. Jurisdiction.** The justices' courts have jurisdiction of all misdemeanor and civil violations of this part.

**History:** En. Sec. 32, Ch. 566, L. 1979.

### 81-8-218 through 81-8-230 reserved.

**81-8-231. Duties of department.** The department shall:

(1) supervise and regulate livestock markets and livestock dealers in this state;

(2) regulate the properties, facilities, operations, services, and practices of all livestock markets and livestock dealers;

(3) supervise and regulate livestock markets in all matters affecting the relationship between the livestock market and owners of livestock and between the livestock market and purchasers of livestock;

(4) prescribe by general order or otherwise rules in conformity with this part applicable to all livestock markets or livestock dealers and not in conflict with the laws of the United States or regulations of the United States department of agriculture or other federal agencies;

(5) enforce this part and adopt rules necessary to carry out this part.

**History:** En. Sec. 4, Ch. 566, L. 1979; amd. Sec. 4, Ch. 52, L. 1985.

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

Penalties for violation of rules, 81-8-279.

**81-8-232. Posting of certificate or license.** Every person certified or licensed under the provisions of this part shall conspicuously post at his place of business for inspection by any other person the certificate or license issued by the department.

**History:** En. Sec. 5, Ch. 566, L. 1979.

**81-8-233. Title warranty of livestock sold.** A livestock market or livestock dealer shall warrant to the purchaser thereof the title of all livestock sold. A livestock market is liable to the rightful owner of all livestock sold for the net proceeds for such livestock whether or not the rightful owner was known to the market at the time of the sale.

**History:** En. Sec. 8, Ch. 566, L. 1979; amd. Sec. 5, Ch. 52, L. 1985.

**81-8-234. Financial responsibility.** (1) Every livestock market or livestock dealer shall maintain a financial condition of total assets in excess of total liability, including total current assets in excess of total current liabilities.

(2) Payment for livestock purchased shall be made upon completion of the sales transaction. Payment in all livestock transactions shall be made by cash, check, or draft, as defined in 30-3-104; by electronic funds transfer, as defined in 32-6-103; or by any other bankable instrument.

**History:** En. Sec. 6, Ch. 566, L. 1979; amd. Sec. 6, Ch. 52, L. 1985.

**81-8-235. Penalties for financial violations.** (1) A person found, after notice and hearing, to be in violation of 81-8-234 shall be assessed a civil penalty by the department of not less than $100 or more than $5,000, have his license or certificate suspended or revoked, or both.

(2) A person found, after notice and hearing, to have committed a subsequent violation of 81-8-234 after the department has assessed a penalty pursuant to subsection (1) shall be fined not less than $250 or more than $5,000 and have his license or certificate suspended or revoked.

(3) A person, whether or not licensed under this part, who issues or delivers a check or other order upon a real or fictitious depository in payment for a livestock purchase knowing that it will not be paid by the depository is guilty of a felony and on conviction may be imprisoned for not more than 5 years or fined not more than $10,000, or both. If the person has an account with the depository, failure to make good the check or other order within 5 days after written notice of nonpayment has been received by the issuer is prima facie evidence that he knew it would not be paid by the depository.

**History: En. Sec. 7, Ch. 566, L. 1979; amd. Sec. 7, Ch. 52, L. 1985.**

**81-8-236. Injunctive remedy.** The operation of a livestock market or the buying or selling of livestock by a person not licensed or certified and bonded as required by this part may be enjoined by the district court on petition from the department upon a showing that a person is engaged in the business of a livestock market or livestock dealer as defined in 81-8-213 without the license or certificate and bond required by this part. The court shall enjoin the person from further activities as a livestock market operator or livestock dealer until the license or certificate and bond have been properly obtained. It is not necessary to show that any individual has been injured by the actions complained of in order to obtain the issuance of the injunction. The injunctive relief provided by this section is an additional remedy to the criminal penalties provided in this part.

**History: En. Sec. 33, Ch. 566, L. 1979; amd. Sec. 8, Ch. 52, L. 1985.**

**Cross-References**

Injunctions, Title 27, ch. 19.

**81-8-237 through 81-8-250 reserved.**

**81-8-251. Certificate to operate livestock market required — application.** (1) A person may not operate a livestock market unless he first obtains from the department a certificate declaring that public convenience and necessity require the operation.

(2) The application for a certificate of public convenience shall be in writing, verified by the applicant, and filed with the department. It shall specify the following:

(a) the names of the persons applying for a certificate together with their permanent addresses. If the applicant is a firm, association, partnership, or corporation, the names of its directors, officers, and members, if applicable;

(b) the place where the applicant proposes to operate a livestock market;

(c) a complete description of the property and facilities proposed to be used for the livestock market;

(d) the commissions or charges the applicant proposes to impose on the consignors' livestock for services rendered to them by the applicant in the operation of the livestock market;

(e) the location of other livestock markets within a radius of 200 miles of the proposed livestock market and the names and addresses of the operators thereof;

(f) a detailed statement of the facts upon which the applicant relies to show public convenience and necessity for the livestock market, including the trade area to be served, the economic benefits to the livestock industry, the services to be offered, and the anticipated revenue from inspection that may be derived by the state;

(g) if the applicant is a foreign corporation, its principal place of business outside the state, the state in which it is incorporated, and a showing that it is in compliance with the laws relating to foreign corporations doing business in this state;

(h) a detailed financial statement showing that current assets exceed current liabilities and that long-term assets exceed long-term liabilities;

(i) any additional information the department may require.

**History: En. Sec. 9, Ch. 566, L. 1979.**

**81-8-252. Hearing on application for certificate — decision.** (1) Upon the filing of the application, the department shall fix a time and place for a hearing thereon, which may not be less than 10 days after the filing. The department shall have a copy of the application, excluding the financial statement described in 81-8-251(2)(h), and notice of the hearing served by mail upon:

(a) the operators of any other livestock markets that in the opinion of the department might be affected by the granting of any such certificate;

(b) the secretaries of the Montana stockgrowers association and the Montana woolgrowers association;

(c) the secretary of the district livestock association, if any;

(d) the secretary of the livestock association or associations, if any, within the vicinity of the proposed livestock market, if known to the department; and

(e) any railroad company operating into or through the town or city in which the proposed livestock market will be located.

(2) If, after the hearing on the application, the department finds from the evidence that public convenience and necessity require the authorization of the proposed livestock market, a certificate must be issued to the applicant. In determining whether public convenience and necessity require the livestock market, the department shall give reasonable consideration to the service rendered by other existing livestock markets in this state and the effect upon them if the proposed livestock market is authorized and shall give due consideration to the likelihood of the proposed service being permanent and continuous throughout 12 months of the year.

**History: En. Sec. 10, Ch. 566, L. 1979; amd. Sec. 1, Ch. 39, L. 1987.**

**81-8-253. Transfer of certificate.** The department may approve the transfer of ownership of a certificate of public convenience and necessity issued pursuant to this part without a determination and showing of public convenience and necessity. Such approval may be granted only after a public hearing at which the transferee's qualifications to operate a livestock market have been thoroughly examined and found sufficient to properly operate a livestock market. A minimum of 10 days' notice by mail must be given to all persons to whom notice is sent pursuant to the provisions of 81-8-252 of a hearing to consider an initial application for a certificate.

**History: En. Sec. 11, Ch. 566, L. 1979.**

**81-8-254. Cancellation or suspension of certificate.** (1) The department may cancel or suspend the certificate of an operator of a livestock market if it finds that the operator:

(a) is guilty of fraud or misrepresentation as to the titles, charges, number, brands, weights, proceeds of sale, or ownership of livestock;

(b) is in violation of any of the provisions of this part;

(c) is in violation of any of the rules adopted by the department; or

(d) is in violation of Title 81, chapter 3, part 2.

(2) The department on its own initiative or on written complaint may investigate a livestock market and may file a complaint against the livestock market with the board. The complaint shall be set for hearing before the board, and the department shall serve notice of the hearing on the livestock market at least 10 days before such hearing.

(3) An investigation or hearing initiated by the department under this part may be held before an examiner designated by the board. Any finding or order made by an examiner, if confirmed by the board, is the order or finding of the board.

**History: En. Sec. 14, Ch. 566, L. 1979.**

**Cross-References**

Montana Administrative Procedure Act — contested cases — notice, 2-4-601.

Rulemaking power of Department of Livestock, 81-8-231.

**81-8-255. Appeal by holder of or applicant for certificate.** An appeal of a decision of the department refusing to grant an application for a certificate or suspending or revoking a certificate of a livestock market shall be taken to the district court of the county in which the proposed livestock market is to be located or in which the authorized livestock market has its principal place of business. The appellant shall file a bond with the clerk of the district court in the sum of $300, to be approved by the judge, conditioned to pay all costs that may be awarded against the appellant in the event of an adverse decision or the decision of the department being affirmed. The cost of preparing transcripts shall be paid by appellant. In a case of suspension or revocation of a certificate, the filing of the notice and bond stays the order of the department until the final determination of the appeal. If the appellant fails to perfect the appeal, the stay shall automatically terminate.

**History: En. Sec. 15, Ch. 566, L. 1979.**

**81-8-256. Fee to operate livestock market.** A person operating a livestock market shall pay annually on May 1 to the department a fee established by the department. All fees shall be paid into the state treasury and credited to the state special revenue fund for the use of the department.

**History: En. Sec. 12, Ch. 566, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 15, Ch. 444, L. 1983.**

**81-8-257. Repealed.** Sec. 29, Ch. 444, L. 1983.

**History: En. Sec. 13, Ch. 566, L. 1979.**

**81-8-258. Records and reports.** Each livestock market shall keep accounts, records, and memoranda and shall make reports which the board requires, and the board and its authorized agents and employees shall at all times have access to the accounts, records, and memoranda for inspection and examination.

**History: En. Sec. 18, Ch. 566, L. 1979.**

**81-8-259. Occasional off-premises sales.** (1) The department may authorize occasional off-premises sales by authorized livestock markets and may establish the conditions under which approval for an off-premises sale may be granted, including any change in bonding requirements the department considers necessary.

(2) No livestock market for which a certificate has been issued under this part may conduct an off-premises sale without obtaining prior approval of the department.

**History: En. Sec. 17, Ch. 566, L. 1979.**

**81-8-260. Dispersal sales.** Dispersal sales conducted through a livestock market must meet the requirements of this part.

**History: En. Sec. 19, Ch. 566, L. 1979.**

**81-8-261. Inspection of public markets.** Livestock inspectors, including stock inspectors of a county or district, the sheriff of a county, or a representative of the department of livestock, may enter upon the premises where livestock is being held or sold and shall be accorded every facility by the owners thereof in determining whether a violation of the law is being committed or is likely to be committed. The inspection may not unnecessarily interfere with the conduct of the sales. Livestock sold at the market may not be delivered to the purchaser until he has first received an inspection certificate issued by one of the officers mentioned in this section, showing clearly and explicitly that the person making the inspection is satisfied as to the ownership of the livestock and the health of all livestock so sold.

**History: En. Sec. 20, Ch. 566, L. 1979.**

**Cross-References**

Employment of stock inspector, 7-21-3211.

Authority of municipal corporations, 81-2-105.

Duties of state stock inspectors and deputy stock inspectors, 81-3-203.

**81-8-262. Sale of animals of unknown ownership.** (1) If there is any question respecting the ownership of livestock sold, the livestock inspector may take possession of the livestock. The livestock inspector shall notify the person in charge of the market and conducting the sales and the person who has purchased the livestock at the sale within a reasonable time.

(2) Whenever livestock is sold, the ownership of which is not known or cannot be determined by the livestock inspector, it may be sold as strays and the net proceeds derived from the sale shall be handled as provided in 81-8-263.

**History: En. Sec. 22, Ch. 566, L. 1979.**

**Cross-References**

Seizure of livestock — retention of livestock — sale — disposal of proceeds, 81-3-204.

**81-8-263. Duties when ownership in doubt.** An operator of a livestock market shall, when notified by the authorized brand inspector that there is a question as to whether any designated livestock sold through the market is lawfully owned by the consignor thereof, hold the proceeds received from the sale of the livestock for a reasonable time, not to exceed 30 days, to permit the consignor to establish ownership. If at the expiration of that time the consignor fails to establish his lawful ownership of the livestock, the proceeds must be transmitted by the operator of the livestock market to the department. The department may dispose of the proceeds in accordance with chapter 4, part 6, of Title 81, relating to the distribution of estray money, and the department's receipt therefor shall relieve the operator of the livestock market from further responsibility for the proceeds. Proof of ownership and account of all sales of livestock must be transmitted by the authorized brand inspector to the department.

**History:** **En. Sec. 23, Ch. 566, L. 1979.**

**Cross-References**

Authorized brand inspector, 81-1-201, 81-3-203.

**81-8-264 through 81-8-270 reserved.**

**81-8-271. License to operate as livestock dealer — application.** (1) A person may not operate as a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with the department an application for a license to transact such business on a form prescribed by the department stating the type of license sought and the following information:

(a) the names of the persons applying for the license together with their permanent addresses and, if the applicant is a firm, association, partnership, or corporation, the names of its directors, officers, and members, if applicable;

(b) the post-office address and principal place of business of the applicant;

(c) if the applicant is a foreign corporation, its principal place of business outside the state, the name of the state in which it is incorporated, and a statement showing that it has complied with the laws of this state relating to foreign corporations and its right to do business in this state;

(d) proof of acquisition of a bond from the packers and stockyards administration of the United States department of agriculture.

(2) An application fee of $50 must be submitted with each application for a livestock dealer's license. The fee shall be the first annual fee if the license is granted.

(3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of livestock may not engage in such business activities without a livestock dealer's license.

**History:** **En. Sec. 25, Ch. 566, L. 1979; amd. Sec. 9, Ch. 52, L. 1985; amd. Sec. 2, Ch. 401, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(d) substituted "proof of acquisition of a bond from the packers and stockyards administration of the United State department of agriculture" for "a detailed financial statement setting forth all assets and liabilities of the applicant pertinent to the business for which the license is sought"; and made minor changes in phraseology. Amendment effective April 1, 1989.

**81-8-272. Issuance of livestock dealer's license.** When an applicant has paid the fee and met the requirements of 81-8-271, the department shall issue to the applicant a license which entitles the licensee to operate as a livestock dealer for a period of 1 year unless the license is suspended or revoked under this part.

**History:** **En. Sec. 25, Ch. 566, L. 1979; amd. Sec. 10, Ch. 52, L. 1985.**

**81-8-273. Refusal to issue or renew license.** (1) The department shall refuse to issue or renew a license if the applicant:

(a) has failed to maintain a financial condition of total assets in excess of total liabilities, including total current assets in excess of total current liabilities;

(b) is in violation of any of the provisions of this part;

(c) has knowingly made false or misleading statements as to the health or physical condition of livestock or practiced fraud or misrepresentation in connection with the buying or receiving of livestock or the selling, exchanging, soliciting, or negotiating of the sale of livestock or the weighing of the same;

(d) has failed to keep records of all purchases and sales or refused to grant inspection of such records by authorized agents of the department;

(e) is in violation of the rules adopted by the department;

(f) has failed to comply with a lawful order of the department;

(g) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions;

(h) has been suspended by the order of the secretary of agriculture of the United States department of agriculture under provisions of the Packers and Stockyards Act, 1921, as amended, 7 U.S.C. 181, et seq.; or

(i) employs a person required to be licensed whose license cannot be renewed or whose license is under suspension or revocation by the department or the United States department of agriculture.

(2) An applicant refused a license or license renewal may not apply again for 1 year following refusal unless the department determines that the applicant has met the requirements of this part.

**History:** **En. Sec. 26, Ch. 566, L. 1979; amd. Sec. 11, Ch. 52, L. 1985; amd. Sec. 3, Ch. 401, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1)(g) that read: "(g) has not filed a surety bond in the form and amount required under 81-8-277"; and made minor changes in form. Amendment effective April 1, 1989.

**81-8-274. Suspension or revocation of license.** (1) Whenever the department finds that any livestock dealer has violated the provisions of this part or rules adopted under this part, the department may, by order, suspend the license of such person for a period not to exceed 1 year, and if the violation is repeated, the department may, by order, after hearing, permanently revoke the license of such person.

(2) Before any license issued under this part may be suspended or revoked, the licensee shall be furnished with a copy of the complaint made against him and a hearing shall be had before the department to determine whether the license should be suspended or revoked. The licensee shall be given notice of the time and the place of such hearing. The notice may be served by registered or certified mail at the post-office address listed in the application. The hearing must be held not less than 10 days or more than 30

days after the mailing of the notice. At the time and place set for the hearing, the department shall take and receive evidence, under oath, with respect to the complaint, and upon such evidence received, shall promptly dismiss the proceedings or revoke or suspend the license.

**History:** En. Sec. 29, Ch. 566, L. 1979; amd. Sec. 12, Ch. 52, L. 1985.

**Cross-References**

Montana Administrative Procedure Act — contested cases, Title 2, ch. 4, part 6.

**81-8-275. Termination of license.** A license issued under this part terminates at the close of business on May 1 of each year following the issuance of the license unless the annual fee has been paid.

**History:** En. Sec. 30, Ch. 566, L. 1979; amd. Sec. 4, Ch. 401, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Deleted second sentence that read: "Termination of the license will automatically occur if the bond required by 81-8-277 is terminated"; and made minor change in phraseology. Amendment effective April 1, 1989.

**81-8-276. Annual fee and financial statement.** Livestock dealers shall pay an annual fee established by the department and when requested by the department shall supply a current financial statement. The fee is payable on May 1 to the state treasurer to the credit of the department.

**History:** En. Sec. 25, Ch. 566, L. 1979; amd. Sec. 16, Ch. 444, L. 1983; amd. Sec. 13, Ch. 52, L. 1985; amd. Sec. 5, Ch. 401, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Near middle of first sentence inserted "when requested by the department shall". Amendment effective April 1, 1989.

**81-8-277. Repealed.** Sec. 7, Ch. 401, L. 1989.

**History:** En. Sec. 27, Ch. 566, L. 1979; amd. Sec. 14, Ch. 52, L. 1985.

**81-8-278. Records.** A livestock dealer shall maintain records that disclose all purchases and sales of livestock. A livestock dealer shall, at all reasonable times, give the department access to and let the department copy any of the records relating to his business.

**History:** En. Sec. 28, Ch. 566, L. 1979; amd. Sec. 15, Ch. 52, L. 1985.

**81-8-279. Penalties.** (1) A person who violates any provision of 81-8-271 through 81-8-273, 81-8-276, or 81-8-278 or rules adopted by the department to implement those sections is guilty of a misdemeanor and upon conviction shall be fined not less than $250 or more than $1,000 or imprisoned for not more than 6 months, or both.

(2) Of all fines assessed and collected under this section, except those assessed and collected in a justice's court, 50% shall be paid into the state treasury and credited to the special revenue fund for the use of the department and 50% shall be paid into the general revenue fund of the county in which the conviction occurred.

**History:** En. Sec. 31, Ch. 566, L. 1979; amd. Sec. 16, Ch. 52, L. 1985; amd. Sec. 57, Ch. 557, L. 1987; amd. Sec. 6, Ch. 401, L. 1989.

**Compiler's Comments**

*1989 Amendment:* In (1), near beginning, deleted reference to 81-8-277; and made minor changes in phraseology. Amendment effective April 1, 1989.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

## Part 3

## Security Interests Concerning Livestock

**81-8-301. Notices of security agreements — renewals — assignments.** (1) The department of livestock shall accept and file notices of security agreements, renewals, assignments, and satisfactions covering livestock owned by a person, firm, corporation, or association and bearing its recorded brand and shall list the notices on the official records of marks and brands kept by it. The department shall transfer a copy of the notices and their accompanying brands to the central livestock markets. All forms on which the notices are given shall be prescribed by the department and furnished by the secured party who gives the notice. A livestock market to which livestock is shipped may not be held liable to any secured party for the proceeds of livestock sold through the livestock market by the debtor unless notice of the security agreement is filed and a copy is transferred as hereinbefore provided. The department of livestock may not be held liable to any secured party for the proceeds of livestock sold through a livestock market by the debtor.

(2) Notices of security agreements must be renewed every 5 years commencing on January 1, 1983, by notifying the department in a manner prescribed by it and by paying the fee set pursuant to 81-8-304 not more than 30 days before or 90 days after January 1.

(3) Assignments of security interests must be renewed every 5 years commencing on January 1, 1983, by notifying the department and paying the fee set pursuant to 81-8-304 not more than 30 days before or 90 days after January 1.

(4) Failure to comply with the provisions of subsection (2) or (3) will result in the termination of the notice on the 91st day following the applicable January 1 without notification by the department.

(5) Satisfactions of security agreements must be filed immediately with the department of livestock.

**History:** **En. Sec. 1, Ch. 91, L. 1935; re-en. Sec. 3308.1, R.C.M. 1935; amd. Sec. 1, Ch. 36, L. 1949; amd. Sec. 11-138, Ch. 264, L. 1963; amd. Sec. 191, Ch. 310, L. 1974; R.C.M. 1947, 52-319; amd. Sec. 1, Ch. 449, L. 1981.**

**Cross-References**

Enforceability of security interest — proceeds, formal requisites, 30-9-203.

**81-8-302. Contents of notices.** The notices shall consist of a statement showing the date of security agreement, the names and addresses of the debtors and secured parties or holders and owners thereof, a description of the livestock covered by the security agreement, and in case of notice of renewal, the date of renewal and, in the case of a notice of assignment of a security interest, the date of the assignment and a description of the security agreement to which the assignment is made and the parties to the assignment and any additional information which is required by the department of livestock.

**History:** **En. Sec. 2, Ch. 91, L. 1935; re-en. Sec. 3308.2, R.C.M. 1935; amd. Sec. 11-139, Ch. 264, L. 1963; amd. Sec. 192, Ch. 310, L. 1974; R.C.M. 1947, 52-320.**

**81-8-303. Duty of secured parties to file satisfactions of security agreements.** The secured parties, who filed notices of security agreements, renewals, and assignments with the department of livestock, as provided for in this part, shall file notices of satisfaction of the security agreements with the department immediately upon the satisfaction of the security agreement.

**History:** En. Sec. 3, Ch. 91, L. 1935; re-en. Sec. 3308.3, R.C.M. 1935; amd. Sec. 11-140, Ch. 264, L. 1963; amd. Sec. 193, Ch. 310, L. 1974; R.C.M. 1947, 52-321.

**81-8-304. Fees.** The department shall charge a fee for filing and listing the notices of security agreements for each recorded brand listed in each security agreement and for filing and listing each notice of satisfaction, renewal, or assignment of the security agreement for each recorded brand listed. The fees shall be set by rules adopted pursuant to the Montana Administrative Procedure Act, upon the basis of actual cost to the department for each brand listed. All fees shall be paid into the state special revenue fund for the use of the department.

**History:** En. Sec. 4, Ch. 91, L. 1935; re-en. Sec. 3308.4, R.C.M. 1935; amd. Sec. 1, Ch. 135, L. 1953; amd. Sec. 96, Ch. 147, L. 1963; amd. Sec. 11-141, Ch. 264, L. 1963; amd. Sec. 1, Ch. 12, L. 1969; amd. Sec. 194, Ch. 310, L. 1974; amd. Sec. 1, Ch. 11, L. 1977; R.C.M. 1947, 52-322; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 17, Ch. 444, L. 1983.

**Cross-References**

Montana Administrative Procedure Act — rulemaking provisions, Title 2, ch. 4, part 3.

**81-8-305. Department of livestock not responsible for collection or payment of money under security agreements.** The department of livestock, its agents and employees, are not responsible or liable to either debtor or secured party for the collection or payment of any money due the holder of any security agreement covering livestock or renewals, satisfactions, or assignments thereof as provided in this part, if this part is carried out in good faith.

**History:** En. Sec. 5, Ch. 91, L. 1935; re-en. Sec. 3308.5, R.C.M. 1935; amd. Sec. 11-142, Ch. 264, L. 1963; amd. Sec. 195, Ch. 310, L. 1974; R.C.M. 1947, 52-323.

**Cross-References**

Enforceability of security interest — proceeds, formal requisites, 30-9-203.

**81-8-306 through 81-8-310 reserved.**

**81-8-311. Range stock — taking possession under process.** Whenever it is necessary for an officer or person charged with the service of process out of any of the courts of this state to take possession of any cattle or horses running at large and commonly known as range stock, between November 1 and the next succeeding May 15, it is a sufficient service of such process for the officer or person within 15 days after receiving the process for service to file a copy thereof with the county clerk of the county wherein such property is running at large, with a notice appended thereto stating the number as near as may be and a description of the stock by marks and brands, and stating that such property or a portion thereof, as the case may be, is attached or levied upon in pursuance of such process. Such officer or person shall make due return of the service of process.

**History:** En. Sec. 1, p. 111, L. 1885; re-en. Sec. 223, 1st Div. Comp. Stat. 1887; re-en. Sec. 940, C. Civ. Proc. 1895; re-en. Sec. 6693, Rev. C. 1907; re-en. Sec. 9296, R.C.M. 1921; re-en. Sec. 9296, R.C.M. 1935; R.C.M. 1947, 93-4343; amd. Sec. 9, Ch. 14, L. 1979.

**81-8-312. Possession under a mortgage — how acquired.** In all cases where it is necessary under the laws of this state for a party to any mortgage, assignment, bill of sale, or other contract, between November 1 and the next succeeding May 15, to take possession of any such cattle or horses in order to preserve his rights under any such mortgage, assignment, bill of sale, or other contract, it is sufficient for such party to file a copy of the instrument under which he claims, with a notice of such claim appended thereto, with the general recorder of marks and brands within 5 days after it becomes necessary for him to so take custody and possession of the same.

**History:** **En. Sec. 2, p. 111, L. 1885; re-en. Sec. 224, 1st Div. Comp. Stat. 1887; re-en. Sec. 941, C. Civ. Proc. 1895; re-en. Sec. 6694, Rev. C. 1907; re-en. Sec. 9297, R.C.M. 1921; re-en. Sec. 9297, R.C.M. 1935; amd. Sec. 11-163, Ch. 264, L. 1963; R.C.M. 1947, 93-4344.**

**81-8-313. Limitation of period of possession.** When the copy of the process or instrument, with the proper notice appended thereto, is filed as hereinbefore provided, it has the same effect as if actual possession of said cattle and horses had been taken by the officer or person charged with the execution of such process, or the party required under said instrument to take the same, and shall continue to have such effect until actual possession of such property has been taken or had by the officer, person, or party aforesaid; provided, that such actual possession be had or taken prior to August 1 next succeeding.

**History:** **En. Sec. 3, p. 112, L. 1885; re-en. Sec. 225, 1st Div. Comp. Stat. 1887; re-en. Sec. 942, C. Civ. Proc. 1895; re-en. Sec. 6695, Rev. C. 1907; re-en. Sec. 9298, R.C.M. 1921; re-en. Sec. 9298, R.C.M. 1935; R.C.M. 1947, 93-4345.**

**81-8-314. Duty of county clerk and recorder of marks and brands to record papers.** It is the duty of the county clerk and of the general recorder of marks and brands to file all papers deposited with them for that purpose, and required to be filed under the provisions of 81-8-311 through 81-8-313, and preserve the same as other records of their offices are preserved, and furnish to persons making inquiry about such files all necessary information concerning the same.

**History:** **En. Sec. 4, p. 112, L. 1885; re-en. Sec. 226, 1st Div. Comp. Stat. 1887; re-en. Sec. 943, C. Civ. Proc. 1895; re-en. Sec. 6696, Rev. C. 1907; re-en. Sec. 9299, R.C.M. 1921; re-en. Sec. 9299, R.C.M. 1935; amd. Sec. 11-164, Ch. 264, L. 1963; R.C.M. 1947, 93-4346.**

**81-8-315. Sale of property under supplementary writ.** When an officer into whose hands a writ of execution is placed has served the same in accordance with 81-8-311, and made his return in accordance with the facts, at any time thereafter, within the time limited as hereinbefore provided to hold the property taken or levied upon under such writ, another writ of execution may be issued, which must be supplementary to the first writ, and in pursuance of which the officer or person charged with the service thereof may sell the property held by the said first writ, as hereinbefore provided.

**History:** **En. Sec. 5, p. 113, L. 1885; re-en. Sec. 227, 1st Div. Comp. Stat. 1887; re-en. Sec. 944, C. Civ. Proc. 1895; re-en. Sec. 6697, Rev. C. 1907; re-en. Sec. 9300, R.C.M. 1921; re-en. Sec. 9300, R.C.M. 1935; R.C.M. 1947, 93-4347.**

**Cross-References**

Execution and return of writ, Title 25, ch. 13, part 4.

## Part 4

## Sale of Baby Animals

**81-8-401. Certain dealings in baby animals unlawful.** (1) Except as provided in subsection (2), it is unlawful for any person, firm, or corporation to:

(a) sell, offer for sale, barter, or give away for commercial purposes baby chickens, ducklings, or other fowl, under 3 weeks of age, or rabbits under 2 months of age, as pets, toys, premiums, or novelties;

(b) color, dye, stain, or otherwise change the natural color of baby chickens, ducklings, or other fowl or rabbits; or

(c) bring or transport the same into the state.

(2) This section shall not be construed to prohibit the sale, dyeing, staining, or otherwise changing of the natural color, or display of such baby chickens, ducklings, or other fowl or such rabbits in proper facilities by breeders or stores engaged in the business of selling for purposes of breeding and raising.

**History: En. 3-2110 by Sec. 1, Ch. 233, L. 1974; R.C.M. 1947, 3-2110; amd. Sec. 1, Ch. 143, L. 1985.**

**81-8-402. Penalties.** Violation of 81-8-401 is a misdemeanor and any person, firm, or corporation, other than one excepted in 81-8-401(2), violating any of the provisions thereof is, upon conviction, subject to a fine not exceeding the sum of $100 or imprisonment for a period not exceeding 30 days, or both.

**History: En. 3-2111 by Sec. 2, Ch. 233, L. 1974; R.C.M. 1947, 3-2111; amd. Sec. 2, Ch. 143, L. 1985.**

## Part 5

## Sale of Registered Livestock

**Part Cross-References**

Livestock taxation provisions, Title 15, ch. 24, part 9.

**81-8-501. Sale of animals under false registration certificates — changing markings — auctioneer.** (1) No person, company, or corporation shall:

(a) sell to another person or persons any animal with a certificate of registration or breeding that does not belong to said animal;

(b) change in any way the certificate of registration or breeding of any animal;

(c) falsely represent any production record of any cow or of any dam specified in any registration certificate;

(d) change the markings of any animal with the intent to deceive the purchaser.

(2) This section shall not apply to any auctioneer or agent acting in good faith under the direction of the owner.

**History: En. Sec. 5, Ch. 6, L. 1913; re-en. Sec. 3355, R.C.M. 1921; amd. Sec. 1, Ch. 68, L. 1933; re-en. Sec. 3355, R.C.M. 1935; R.C.M. 1947, 46-1205.**

**81-8-502. Penalty.** Any person, persons, company, or corporation violating 81-8-501 shall be punished by a fine of not less than $25 or more than $500 or by imprisonment of not less than 10 days or more than 6 months or by both fine and imprisonment.

**History: En. Sec. 6, Ch. 6, L. 1913; re-en. Sec. 3356, R.C.M. 1921; re-en. Sec. 3356, R.C.M. 1935; R.C.M. 1947, 46-1206.**

**81-8-503. Expenditures for purebred livestock shows and sales.** The boards of county commissioners of the several counties of the state of Montana may and they are hereby authorized to expend annually from the general fund of the county, not to exceed a sum equal to a levy of one-fourth mill on the taxable property of the county, for the purpose of conducting special purebred livestock shows and special purebred livestock sales within the county.

**History: En. Sec. 1, Ch. 60, L. 1945; R.C.M. 1947, 46-2201.**

**81-8-504. Tax levy authorized.** For the purpose of defraying the costs of such purebred livestock shows and such purebred livestock sales, the county commissioners are authorized and empowered to levy annually a tax not to exceed one-fourth mill on the taxable property of the county, in excess of the amount levied for county purposes, which taxes shall be paid into the general fund of the county.

**History: En. Sec. 2, Ch. 60, L. 1945; R.C.M. 1947, 46-2202.**

## Part 6

## Pork Research and Marketing

**81-8-601. Short title.** This part may be cited as the "Montana Pork Research and Marketing Act".

**History: En. 46-3101 by Sec. 1, Ch. 484, L. 1975; R.C.M. 1947, 46-3101.**

**81-8-602. Definitions.** As used in this part, unless the context otherwise requires, the following definitions apply:

(1) "Committee" means the Montana pork research and marketing committee provided for in 2-15-3103.

(2) "Producer" means anyone actively engaged in the production of swine and includes a person, partnership, association, corporation, cooperative, trust, and any and all business units, devices, and arrangements.

(3) "Purchaser" means any licensed or bonded livestock dealer or livestock market in the state of Montana.

**History: En. 46-3102 by Sec. 2, Ch. 484, L. 1975; R.C.M. 1947, 46-3102.**

**81-8-603. Compensation.** Members of the committee are entitled to be reimbursed and compensated as are members of quasi-judicial boards in 2-15-124(7).

**History: En. 46-3103 by Sec. 4, Ch. 484, L. 1975; R.C.M. 1947, 46-3103; amd. Sec. 18, Ch. 444, L. 1983.**

**81-8-604. Removal from office — cause — procedure.** Any member of the committee shall be removable by the governor for malfeasance, misfeasance, or neglect of duty. Any member of the committee shall automatically be disqualified from continuing as a member when he ceases to:

(1) be a resident of the state of Montana;

(2) live in the district from which he was appointed; or

(3) be actually engaged in producing swine in said state or district.

**History:** **En. 46-3104 by Sec. 5, Ch. 484, L. 1975; R.C.M. 1947, 46-3104.**

**Cross-References**

Rules for determining residence, 1-1-215.

**81-8-605. Election of chairman — time of meetings.** At the first meeting of the committee, it shall elect a chairman from among its members. The committee shall meet at least twice every year and at such other times as called by the chairman or by any two members of the committee.

**History:** **En. 46-3105 by Sec. 6, Ch. 484, L. 1975; R.C.M. 1947, 46-3105; amd. Sec. 1, Ch. 291, L. 1981.**

**81-8-606. Powers of committee.** (1) The committee shall have the power to:

(a) adopt rules necessary for the administration of this part;

(b) provide, through the department, for the enforcement of this part;

(c) conduct adequate, intensive, and timely research into the promotion, marketing, production, and uses of pork in all phases and relationships;

(d) enter into written contracts or agreements with recognized agencies, public or private, within or without the state of Montana, for the purpose of, but not limited to, improving pork quality, increasing the efficiency of production, developing marketing knowledge, developing markets, and promoting pork and pork products.

(2) None of the duties, authorities, and powers set forth in this part and delegated to the committee shall be construed to mean or permit participation in state or federal political action.

**History:** **En. 46-3106 by Sec. 7, Ch. 484, L. 1975; R.C.M. 1947, 46-3106.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-8-607. Assessments.** There is hereby assessed a per head levy of 0.3% on the sale price of all swine sold by producers to purchasers beginning July 1, 1985. The assessment shall be deducted and collected at the time of sale from the producer's receipt of sale and remitted to the department of livestock by the purchaser under the provisions of this part.

**History:** **En. 46-3107 by Sec. 8, Ch. 484, L. 1975; R.C.M. 1947, 46-3107; amd. Sec. 2, Ch. 291, L. 1981; amd. Sec. 1, Ch. 180, L. 1985.**

**81-8-608. Purchaser's delivery of invoice to producers — form — filing of sworn statement — payment of assessment.** (1) The purchaser of swine at the time of settlement shall make and deliver invoices for each purchase to the producer. Such invoices shall show:

(a) the name and address of the producer and purchaser;

(b) the number of swine sold;

(c) the date of the purchase and the amount of assessment collected and remitted to the department of livestock.

(2) The purchaser shall deliver to and have on file with the department on forms prescribed by the committee by the 20th day of each calendar month following any calendar month in which purchaser shall purchase swine of a producer, beginning on August 20, 1975, a sworn statement of the number of swine purchased in Montana during the preceding calendar month. At the time the sworn statement is filed, the purchaser shall pay and remit to the department the assessment provided for in this part for deposit in the swine research and marketing account.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures on the face thereof. Any person who shall alter any part of any statement shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished as is provided herein.

(4) Any time after 30 days from the deduction of the assessment and before the expiration of 90 days following such deduction by the purchaser, the producer may, upon the submission of a written, verified request therefor to the committee through the department, obtain a refund in the amount of the assessment deducted by said purchaser. The request shall be accompanied by the original invoices received by the producer at the time of settlement. The pork research and marketing committee shall keep complete records of all refunds made under the provisions of this part. All original invoices shall be returned to the producer with the refund payments.

**History: En. 46-3108 by Sec. 9, Ch. 484, L. 1975; R.C.M. 1947, 46-3108.**

**81-8-609. Receipt of gifts, grants, or donations for research purposes.** The department of livestock may receive gifts, grants, or donations for any research or scientific inquiries conducted under authority of this part and use and expend the same in compliance with the conditions, if any, of such grants, gifts, and donations if such conditions are valid under the laws of Montana and in aid of the purposes of this part.

**History: En. 46-3109 by Sec. 10, Ch. 484, L. 1975; R.C.M. 1947, 46-3109; amd. Sec. 10, Ch. 14, L. 1979.**

**81-8-610. Research and marketing account — sources — use — expenditures.** (1) The proceeds of all assessments made, paid, and collected under this part and the proceeds from all gifts, grants, or donations to the department of livestock for research authorized by this part shall be deposited in the state special revenue fund for the use of the committee as provided in this part.

(2) The account shall be maintained for the purposes of this part and shall be separate and apart from all other accounts of the department.

(3) A percentage of all unrefunded assessments, determined by the committee, shall be paid to the national pork producer council.

(4) The committee may be assessed costs by the department for the services the department provides upon request of the committee or pursuant to 2-15-121. However, the costs charged must have a substantial relationship to the cost of the services provided.

**History: En. 46-3110 by Sec. 11, Ch. 484, L. 1975; R.C.M. 1947, 46-3110; amd. Sec. 3, Ch. 291, L. 1981; amd. Sec. 2, Ch. 277, L. 1983; amd. Sec. 2, Ch. 180, L. 1985; amd. Sec. 13, Ch. 700, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near end of (1) substituted "state" for "other"; and made minor changes in grammar. Amendment effective July 1, 1989.

**81-8-611. Contracts for carrying out research, promotion, and marketing of swine.** The Montana pork research and marketing committee shall not set up research units or agencies of its own but shall cooperate and is hereby empowered to enter into contracts with other lawful and proper local, state, or national organizations, public or private, in carrying out all phases of research and marketing contemplated by this part.

**History:** En. 46-3111 by Sec. 12, Ch. 484, L. 1975; R.C.M. 1947, 46-3111.

**81-8-612. Violation — penalty.** Any person violating any of the provisions of this part shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than $25 or more than $500.

**History:** En. 46-3112 by Sec. 13, Ch. 484, L. 1975; R.C.M. 1947, 46-3112.

**81-8-613. Repealed.** Sec. 4, Ch. 291, L. 1981.

**History:** En. 46-3113 by Sec. 14, Ch. 484, L. 1975; R.C.M. 1947, 46-3113.

## Part 7

## Quality Label

**81-8-701. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Agricultural and food product" includes a horticultural, viticultural, dairy, livestock, poultry, bee, other farm or garden product, fish or fishery product, and other foods.

(2) "Continuous official inspection" means that an employee or a licensed representative of the department of agriculture or the department of livestock or the United States department of agriculture regularly and continuously examines the commodity as it is being packed so as to have knowledge of the quality that goes into each package.

(3) "Person" includes an individual, partnership, association, union, or corporation.

**History:** En. Sec. 5, Ch. 290, L. 1947; amd. Sec. 43, Ch. 310, L. 1974; R.C.M. 1947, 3-2505.

**81-8-702. Montana quality label.** The department of livestock may make use of an outline map of the state of Montana and the word "Montana", printed, lithographed, inscribed, engraved, or otherwise impressed on the labels, tags, seals, or containers of agricultural or food products, by a person who has availed himself of the continuous official inspection service offered by the department of livestock, as an indication that the product has been inspected by the officers, agents, or licensed inspectors of the department and that the products are of the quality and description as indicated on the label, tag, seal, or container. The outline map with the word "Montana", when made use of under this part, shall be known as the "Montana quality label". When an authorized department, agent, or officer of the United States collaborates with the department of livestock in the inspection of a product, the Montana quality label may, with the consent of the appropriate department, agency, or officer of the United States, be superimposed on an outline map of the United States on the label, tag, seal or container, indicating inspectional collaboration between the department of livestock and the department, agency, or officer of the United States.

**History:** En. Sec. 1, Ch. 290, L. 1947; amd. Sec. 39, Ch. 310, L. 1974; R.C.M. 1947, 3-2501.

**81-8-703. Limitation on use of label.** The Montana quality label may not be used except under the rules made for its use by the department of livestock, and it may not be used on the label, tag, seal, container, or product of a farm, factory, mill, or other producing, processing, packing, preparing, or dressing establishment unless the product is produced, processed, packed, prepared, or dressed under continuous official inspection.

**History:** En. Sec. 2, Ch. 290, L. 1947; amd. Sec. 40, Ch. 310, L. 1974; R.C.M. 1947, 3-2502.

**81-8-704. Procurement and use of labels — information concerning — disposal of moneys.** The department of livestock may make, print, or otherwise prepare a quantity of labels, tags, and seals with the Montana quality label printed, lithographed, inscribed, engraved, or impressed on them, sufficient to supply the demand for them. The department may furnish labels, tags, and seals at reasonable prices to a producer, processor, packer, or dresser who has availed himself of the continuous official inspection service. This part, however, does not preclude the department from permitting, under its rules, a producer, processor, packer, or dresser to make, prepare, or cause to be made or prepared the labels, tags, or seals to be used on his own product or to print, stamp, or otherwise place or cause to be placed the Montana quality label on products or containers which have been subject to continuous inspection, if the labels, tags, seals, stamps, or other devices are of a design which the department prescribes. The department of livestock may, in cooperation with the United States department of agriculture or otherwise, make use of available and appropriate means to disseminate information concerning the Montana quality label and the products which may lawfully bear it and to popularize its use. All moneys derived from furnishing the labels, tags, and seals or from permitting the use of the Montana quality label shall be deposited in the state treasury to the credit of the general fund.

**History:** En. Sec. 3, Ch. 290, L. 1947; amd. Sec. 44, Ch. 147, L. 1963; amd. Sec. 41, Ch. 310, L. 1974; R.C.M. 1947, 3-2503.

**Cross-References**

State Treasury General Fund, 17-2-102.

**81-8-705. Wrongful use of label — penalty — injunction — prosecutions.** (1) A person who uses the Montana quality label in violation of this part, or who, with the intent to mislead or deceive, uses an imitation, counterfeit, or likeness thereof on the label, tag, seal, container, sign, or otherwise on any product which is sold or offered for sale or who uses the Montana quality label or, with intent to mislead or deceive, uses an imitation, counterfeit, or likeness thereof on or in connection with an offer to sell or advertisement for the sale or use of any product which does not in fact lawfully bear the Montana quality label is guilty of a misdemeanor and shall be fined not less than $10 or more than $500.

(2) The word "Montana" may not be used on a brand or label not of No. 1 quality, its equivalent, or better.

(3) A district court in this state has jurisdiction to enjoin the use of the Montana quality label or an imitation, counterfeit, or likeness thereof used in violation of this part.

(4) The department of livestock may cause prosecutions for violations of this part, as well as the injunction proceedings under this section, to be instituted through the attorneys for the state or the counties and cities or otherwise in its discretion.

**History:** **En. Sec. 4, Ch. 290, L. 1947; amd. Sec. 42, Ch. 310, L. 1974; R.C.M. 1947, 3-2504.**

**Cross-References**

General duties of Attorney General, 2-15-501.

General duties of City Attorney, 3-11-301; Title 7, ch. 4, part 46.

General duties of County Attorney, 7-4-2716, 7-4-2717.

## Part 8

## Beef Research and Marketing (Repealed. Sec. 21, Ch. 166, L. 1989)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**81-8-801.** En. Sec. 1, Ch. 491, L. 1981.

**81-8-802.** En. Sec. 2, Ch. 491, L. 1981.

**81-8-803.** En. Sec. 3, Ch. 491, L. 1981.

**81-8-804.** En. Sec. 4, Ch. 491, L. 1981; amd. Sec. 1, Ch. 140, L. 1987.

**81-8-805.** En. Sec. 5, Ch. 491, L. 1981; amd. Sec. 2, Ch. 277, L. 1983; amd. Sec. 14, Ch. 700, L. 1989.

*Purported Amendment of Repealed Section:* Section 14, Ch. 700, L. 1989, purported to amend 81-8-805 effective July 1, 1989. However, 81-8-805 was repealed by sec. 21, Ch. 166, L. 1989, effective March 20, 1989; therefore, the Ch. 700 amendment was never in effect. (See 1989 Session Law for text of amendment.)

# CHAPTER 9

# SLAUGHTER

### Part 1 — Butchers and Meat Peddlers

81-9-101. Repealed.
81-9-102. Repealed.
81-9-103. Repealed.
81-9-104 through 81-9-110 reserved.
81-9-111. Hide certificates — inspection of hides before disposal — person slaughtering cattle to exhibit hides.
81-9-112. Inspection and marking of hides and meat of slaughtered cattle — records — bill of sale — when inspection not necessary.
81-9-113. Fees for inspection.
81-9-114. Duty to report violations.
81-9-115. Unlawful to purchase uninspected hide or carcass — exception.
81-9-116. Officers' authority concerning enforcement — seizure and sale of meat held in violation.
81-9-117. Repealed.
81-9-118. Penalties for violation or falsifying records.

### Part 2 — Slaughterhouses Meat and Poultry Inspection

81-9-201. Meat establishment license — fees and renewals.
81-9-202. Exceptions of certain producers of meats.
81-9-203 through 81-9-207. Repealed.
81-9-208 through 81-9-215 reserved.
81-9-216. Short title.
81-9-217. Definitions.
81-9-218. Exemptions.

81-9-219. Application.
81-9-220. Rules.
81-9-221 through 81-9-225 reserved.
81-9-226. Chief meat inspector — deputies — qualifications.
81-9-227. Application for state meat inspection service — assignment of establishment number.
81-9-228. Inspection stamps.
81-9-229. Assignment of inspectors.
81-9-230. Ante-mortem and post-mortem inspection required.
81-9-231. Condemnation and appeal.
81-9-232. Regulation of equine, game farm animal, or rabbit carcasses or products.
81-9-233. Cooperation with state and federal authorities.
81-9-234. Violations — penalties.
81-9-235. Suspension or revocation of inspection service or establishment number — hearing — appeal.
81-9-236. Injunction.

### Part 3 — Rendering or Disposal Plants

81-9-301. Licensing of rendering or disposal plants.
81-9-302. Power of department to adopt and enforce rules.
81-9-303. Power of department to restrain operation of rendering plant.
81-9-304. Power of department to revoke license of rendering plant.
81-9-305. Power to administer oaths, subpoena witnesses, and receive evidence.
81-9-306. Penalty for violation.
81-9-307 through 81-9-310 reserved.
81-9-311. Dead or fallen animal rendering plants — definitions.
81-9-312. Identification tags.
81-9-313. Dead or fallen animal records.
81-9-314. Animals to be tagged.
81-9-315. Production of dead or fallen animal record on demand — animal not to be removed during transportation — investigation.
81-9-316. Disposal of hides — inspection — filing of record.
81-9-317. Penalty.

### Part 4 — Hide Dealers

81-9-401. Definitions.
81-9-402. Hide certificate — identification.
81-9-403. Seizure and sale of hides when ownership cannot be determined — disposition of proceeds.
81-9-404 through 81-9-410 reserved.
81-9-411. Hide dealer or buyer's license fee — disposition of proceeds.
81-9-412. License revocation.
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81-9-421. Falsifying hide certificate or failure to affix tag deemed a misdemeanor.
81-9-422. Acting without a license a misdemeanor.
81-9-423. Mutilation or concealment of hides a felony.
81-9-424. Sufficiency of pleading and proof in criminal prosecution.

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**Chapter Cross-References**

Regulation of foodstuffs, 7-21-4202.

Livestock per capita tax levy, 15-24-921.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

Adulterated food, 50-31-202.

"Food manufacturing establishment" defined not to include slaughterhouse or packing plant, 50-50-102.

Frozen food lockers, Title 50, ch. 50, part 4.

Duties of state stock inspectors and deputy stock inspectors, 81-3-203.

## Part 1

## Butchers and Meat Peddlers

**81-9-101. Repealed.** Sec. 24, Ch. 577, L. 1987.

**History: En. Sec. 1, Ch. 172, L. 1931; re-en. Sec. 3298.16, R.C.M. 1935; amd. Sec. 1, Ch. 42, L. 1943; amd. Sec. 86, Ch. 310, L. 1974; R.C.M. 1947, 46-501; amd. Sec. 1, Ch. 234, L. 1979.**

**81-9-102. Repealed.** Sec. 24, Ch. 577, L. 1987.

**History: (1) thru (5)En. Sec. 2, Ch. 172, L. 1931; re-en. Sec. 3298.17, R.C.M. 1935; amd. Sec. 2, Ch. 42, L. 1943; Sec. 46-502, R.C.M. 1947; (6)En. Sec. 3, Ch. 172, L. 1931; re-en. Sec. 3298.18, R.C.M. 1935; amd. Sec. 1, Ch. 78, L. 1941; amd. Sec. 1, Ch. 67, L. 1959; Sec. 46-504, R.C.M. 1947; R.C.M. 1947, 46-502, 46-504(part).**

**81-9-103. Repealed.** Sec. 24, Ch. 577, L. 1987.

**History: En. Sec. 8, Ch. 172, L. 1931; re-en. Sec. 3298.23, R.C.M. 1935; R.C.M. 1947, 46-512.**

**81-9-104 through 81-9-110 reserved.**

**81-9-111. Hide certificates — inspection of hides before disposal — person slaughtering cattle to exhibit hides.** (1) Every person or persons, firm, corporation, or association slaughtering cattle for its own use must before selling, destroying, or otherwise disposing of the hide or hides from such cattle have the same inspected by an officer authorized to make such inspection and secure a certificate of inspection as herein provided for.

(2) It shall be unlawful for any person or persons, firm, corporation, or association to sell, offer for sale, destroy, or otherwise dispose of any hide or hides from slaughtered cattle which have not been inspected and identified by an authorized inspector.

(3) It shall be the duty of any person or persons, firm, corporation, or association slaughtering cattle, for his own use or otherwise, upon demand of an authorized inspector, to exhibit the hide or hides of such animal or animals for inspection or certificate issued by a hide buyer or some evidence of inspection by an authorized inspector.

**History: En. Sec. 4, Ch. 172, L. 1931; re-en. Sec. 3298.19, R.C.M. 1935; amd. Sec. 1, Ch. 47, L. 1939; amd. Sec. 2, Ch. 37, L. 1961; R.C.M. 1947, 46-508.**

**81-9-112. Inspection and marking of hides and meat of slaughtered cattle — records — bill of sale — when inspection not necessary.** (1) All slaughtering establishments required to be licensed under 81-9-201 shall maintain the hide of an animal in its entirety with tail and ears attached for each animal slaughtered until inspected by a state or deputy state stock inspector in the county where the animal was slaughtered. The inspector shall mark the hide in the manner prescribed by the department. This inspection may be waived for those animals inspected by a state or deputy state stock inspector on a preslaughter inspection.

(2) Each dressed carcass of such animal shall be stamped with an ink stamp in a manner specified by the department. The inspector shall keep a record and issue a certificate of inspection as specified by the department, giving the name and address of the establishment or person, the serial number of the inspection of the hide, the brand on the hide, the date of inspection, and the place where the inspection was made. The inspector shall forward a copy of the inspection certificate to the department and issue one copy to the person requesting the inspection.

(3) When ownership of the carcass and hide presented is claimed on a bill of sale, the officer making the inspection shall demand and receive the original bill of sale, which shall be attached to the inspector's certificate sent to the county clerk and recorder. When the bills of sale cover cattle not included in the inspection, the inspector shall issue to the owner of the bill of sale a

receipt for the bill of sale. The receipt shall describe the balance of the cattle covered by the original bill of sale.

(4) Any person who kills beef or veal in good faith for his own use shall not be required to have such meat inspected or stamped.

**History: Ap.p. Sec. 3, Ch. 172, L. 1931; re-en. Sec. 3298.18, R.C.M. 1935; amd. Sec. 1, Ch. 78, L. 1941; amd. Sec. 1, Ch. 37, L. 1961; amd. Sec. 87, Ch. 310, L. 1974; Sec. 46-503, R.C.M. 1947; Ap.p. Sec. 3, Ch. 172, L. 1931; re-en. Sec. 3298.18, R.C.M. 1935; amd. Sec. 1, Ch. 78, L. 1941; amd. Sec. 1, Ch. 67, L. 1959; Sec. 46-504, R.C.M. 1947; R.C.M. 1947, 46-503, 46-504(part); amd. Sec. 2, Ch. 234, L. 1979; amd. Sec. 19, Ch. 577, L. 1987.**

**81-9-113. Fees for inspection.** The state or deputy state stock inspector making the inspection required by 81-9-112 shall collect a fee established by the department for each head inspected, plus all necessary expenses. State stock inspectors shall promptly remit all fees and expenses collected under this section to the department for deposit in the state special revenue fund. Deputy state stock inspectors shall keep their fees and expenses.

**History: En. Sec. 2, Ch. 78, L. 1941; R.C.M. 1947, 46-505; amd. Sec. 3, Ch. 234, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 19, Ch. 444, L. 1983.**

**81-9-114. Duty to report violations.** A person required to be licensed under 81-9-201 shall report any violation of 81-9-112 to the department or the sheriff of the county where the violation occurred and of which the person has knowledge. Upon failure to do so, the person shall suffer a revocation of his license and no license shall again be issued to the person until the expiration of 1 year from the date of revocation.

**History: En. Sec. 4, Ch. 78, L. 1941; R.C.M. 1947, 46-507; amd. Sec. 20, Ch. 577, L. 1987; amd. Sec. 1, Ch. 200, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning inserted "the department or"; and made minor changes in phraseology. Amendment effective March 21, 1989.

**81-9-115. Unlawful to purchase uninspected hide or carcass — exception.** No person, firm, corporation, or association may purchase the hide or carcass or any part thereof of any beef or veal without the inspection or identification herein provided for. The provision of this section does not apply to any person who purchases from a licensed meat establishment beef or veal in quantities less than one quarter of an animal.

**History: En. Sec. 5, Ch. 172, L. 1931; re-en. Sec. 3298.20, R.C.M. 1935; R.C.M. 1947, 46-509; amd. Sec. 21, Ch. 577, L. 1987.**

**81-9-116. Officers' authority concerning enforcement — seizure and sale of meat held in violation.** Any officer having authority to make the inspection herein provided for may enter into and inspect meat establishments required to be licensed under 81-9-201 or places where beef is handled in quantities, for the purpose of determining whether the provisions of this part have been complied with. In case meat is found which is being held in violation of the provisions of this part, the officers may seize the same. All meat so seized shall be sold under the direction of a stock inspector, sheriff, or other officer authorized, at either public or private sale, for the best price obtainable, and the proceeds shall be paid to the county treasurer of the county in which said meat is seized for the benefit of the general fund of said county.

**History: En. Sec. 6, Ch. 172, L. 1931; re-en. Sec. 3298.21, R.C.M. 1935; R.C.M. 1947, 46-510; amd. Sec. 22, Ch. 577, L. 1987.**

**81-9-117. Repealed.** Sec. 24, Ch. 577, L. 1987.

**History:** En. Sec. 7, Ch. 172, L. 1931; re-en. Sec. 3298.22, R.C.M. 1935; R.C.M. 1947, 46-511.

**81-9-118. Penalties for violation or falsifying records.** Any person who violates any of the provisions of this part or who willfully falsifies any of the records required by this part to be kept shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than $100 or more than $500 or by imprisonment in the county jail for a period of not less than 30 days or more than 6 months or by such fine and imprisonment for the first offense and for each subsequent offense shall be deemed guilty of a felony and punished by a fine of not more than $50,000 or imprisonment in the state prison for not less than 1 year or more than 5 years, or both.

**History:** En. Sec. 9, Ch. 172, L. 1931; re-en. Sec. 3298.24, R.C.M. 1935; R.C.M. 1947, 46-513; amd. Sec. 7, Ch. 198, L. 1981.

## Part 2

## Slaughterhouses Meat and Poultry Inspection

**Part Cross-References**

Municipal regulation of foodstuffs, 7-21-4202.

Regulation of location of businesses, factories, and steam boilers, 7-21-4204.

**81-9-201. Meat establishment license — fees and renewals.** (1) It is unlawful for a person, firm, or corporation to engage in the business of slaughtering livestock or poultry or processing, storing, or wholesaling the meat products of either without having a license issued by the department. The department shall establish an annual fee for a license issued under this section, to be paid into the state special revenue fund for the use of the department.

(2) All licenses expire on December 31 of the year in which they are issued and shall be renewed by the department on request of the licensee. However, when the department finds that the establishment for which the license is issued is not conducted in accordance with the rules and orders of the board made under 81-2-102, the department shall revoke the license and may not renew it until the establishment is in a sanitary condition in accordance with department rules.

(3) A person, firm, or corporation violating this section or any rule or order promulgated by authority of 81-2-102 is guilty of a misdemeanor and upon conviction shall be fined not to exceed $500.

**History:** En. Sec. 26, Ch. 262, L. 1921; re-en. Sec. 3285, R.C.M. 1921; re-en. Sec. 3285, R.C.M. 1935; amd. Sec. 79, Ch. 310, L. 1974; amd. Sec. 22, Ch. 12, L. 1977; R.C.M. 1947, 46-235; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 20, Ch. 444, L. 1983; amd. Sec. 23, Ch. 577, L. 1987.

**81-9-202. Exceptions of certain producers of meats.** The owners or operators of slaughterhouses, packinghouses, meat depots, or other places of business engaged in the production, storage, or transportation of meats or meat foods are not required to procure a license from the department of health and environmental sciences, insofar as the business of production, storage, or transportation of these food products is concerned. This section does not limit the supervision or regulation of the sanitary condition of a restaurant, hotel, boardinghouse, or retail market or the products sold or offered for sale thereat by the department of health and environmental sciences, nor does this section limit the duties imposed by law on the department of health and environmental sciences to make sanitary rules for the eradication or control of an epidemic of human disease which may exist in a community.

**History: En. Sec. 24, Ch. 262, L. 1921; re-en. Sec. 3283, R.C.M. 1921; re-en. Sec. 3283, R.C.M. 1935; amd. Sec. 77, Ch. 310, L. 1974; amd. Sec. 20, Ch. 12, L. 1977; R.C.M. 1947, 46-233(part).**

**81-9-203 through 81-9-207. Repealed.** Sec. 24, Ch. 577, L. 1987.

**Compiler's Comments**

*Histories of Repealed Sections:*

**81-9-203.** (1)En. Sec. 10, Ch. 262, L. 1921; re-en. Sec. 3269, R.C.M. 1921; re-en. Sec. 3269, R.C.M. 1935; amd. Sec. 62, Ch. 310, L. 1974; Sec. 46-216, R.C.M. 1947; (2) thru (4)En. Sec. 7, Ch. 130, L. 1911; re-en. Sec. 2584, R.C.M. 1921; re-en. Sec. 2584, R.C.M. 1935; Sec. 27-107, R.C.M. 1947; R.C.M. 1947, 27-107, 46-216.

**81-9-204.** En. Sec. 1, p. 163, L. 1901; re-en. Sec. 8492, Rev. C. 1907; amd. Sec. 1, Ch. 39, L. 1917; re-en. Sec. 11243, R.C.M. 1921; re-en. Sec. 11243, R.C.M. 1935; Sec. 94-35-172, R.C.M. 1947; redes. 46-247 by Sec. 29, Ch. 513, L. 1973; amd. Sec. 199, Ch. 310, L. 1974; R.C.M. 1974, 46-247.

**81-9-205.** En. 46-210.1 by Sec. 1, Ch. 190, L. 1977; R.C.M. 1947, 46-210.1.

**81-9-206.** (1)En. Sec. 29, Ch. 262, L. 1921; re-en. Sec. 3288, R.C.M. 1921; re-en. Sec. 3288, R.C.M. 1935; amd. Sec. 23, Ch. 12, L. 1977; Sec. 46-238, R.C.M. 1947; (2)En. Sec. 2, Ch. 39, L. 1917; re-en. Sec. 11244, R.C.M. 1921; re-en. Sec. 11244, R.C.M. 1935; 94-35-173, R.C.M. 1947; redes. 46-248 by Sec. 29, Ch. 513, L. 1973; amd. Sec. 26, Ch. 12, L. 1977; Sec. 46-248, R.C.M. 1947; R.C.M. 1947, 46-238, 46-248.

**81-9-207.** En. Sec. 30, Ch. 262, L. 1921; re-en. Sec. 3289, R.C.M. 1921; re-en. Sec. 3289, R.C.M. 1935; amd. Sec. 81, Ch. 310, L. 1974; amd. Sec. 24, Ch. 12, L. 1977; R.C.M. 1947, 46-239.

**81-9-208 through 81-9-215 reserved.**

**81-9-216. Short title.** Sections 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 may be cited as the "Meat and Poultry Inspection Act".

**History: En. Sec. 1, Ch. 577, L. 1987.**

**81-9-217. Definitions.** As used in 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, the following definitions apply:

(1) "Adulterated" means the term applied to meat if:

(a) it bears or contains a poisonous or deleterious substance that may render it injurious to health, except that if the substance is not an added substance, the product may not be considered adulterated if the quantity of the substance is insufficient to ordinarily render it injurious to health;

(b) it bears or contains, by reason of administration of any substance to the meat, an added poisonous or added deleterious substance other than a color additive, a food additive, or a pesticide chemical in or on a raw agricultural commodity, any of which may in the board's judgment make the meat unfit for human food;

(c) it is in whole or in part a raw agricultural commodity and bears or contains a pesticide chemical that is unsafe as provided in the Federal Food, Drug and Cosmetic Act;

(d) it bears or contains a food additive that is unsafe as provided in the Federal Food, Drug and Cosmetic Act;

(e) it bears or contains a color additive that is unsafe as provided in the Federal Food, Drug and Cosmetic Act; provided that the meat that is not otherwise considered adulterated under subsection (1)(c), (1)(d), or (1)(e) of this section is considered adulterated if use of the pesticide chemical, food additive, or color additive in or on the article is prohibited by rule of the board;

(f) it consists in whole or in part of any filthy, putrid, or decomposed substance or is for any other reason unsound, unhealthful, unwholesome, or otherwise unfit for human food;

(g) it has been prepared, packed, or held under unsanitary conditions whereby it may have become contaminated with filth or rendered injurious to health;

(h) it is in whole or in part the product of an animal, including poultry, that has died otherwise than by slaughter;

(i) its container is composed in whole or in part of any poisonous or deleterious substance that may render the contents injurious to health;

(j) it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a regulation or exemption in effect pursuant to 21 U.S.C. 348; or

(k) any valuable constituent has been in whole or in part omitted or abstracted therefrom, any substance has been substituted wholly or in part therefor, damage or inferiority has been concealed in any manner, or any substance has been added to it or mixed or packed with it so as to increase its bulk or weight, or make it appear better or of greater value than it is.

(2) "Chief" means the chief meat inspector appointed as provided in 81-9-226.

(3) "Federal Food, Drug and Cosmetic Act" means 21 U.S.C. 301 through 392, as that law reads on October 1, 1987.

(4) "Livestock" means cattle, buffalo, sheep, swine, goats, rabbits, horses, mules or other equines, and game farm animals as defined in 87-4-406 whether alive or dead.

(5) "Livestock product" or "poultry product" means a product capable of use as human food that is wholly or partially made from meat and is not specifically exempted by rule of the board.

(6) "Meat" means the edible flesh of livestock or poultry and includes livestock and poultry products.

(7) "Misbranded" means the term applied to meat:

(a) if its labeling is false or misleading in any particular;

(b) if it is offered for sale under the name of another food;

(c) if it is an imitation of a meat product, unless its label bears, in type of uniform size and prominence, the word "imitation" and immediately thereafter the name of the food being imitated;

(d) if its container is so made, formed, or filled as to be misleading;

(e) if it does not bear a label showing:

(i) the name and place of business of the manufacturer, packer, or distributor; and

(ii) an accurate statement of the quantity of the product in terms of weight, measure, or numerical count. The board may adopt rules exempting small meat packages, meat not in containers, and other reasonable variations.

(f) if any word, statement, or other information required by 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 to appear on the label is not prominently placed thereon, as compared with other words, statements, designs, or devices in the labeling, and is not stated in terms that render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

(g) if it is represented as a food for which a definition and standard of identity or composition has been prescribed by the rules of the board, unless:

(i) it conforms to the definition and standard; and

(ii) its label bears the name of the food specified in the definition and standard and, insofar as required by the rules, the common names of optional ingredients present in such food, other than spices, flavoring, and coloring;

(h) if it is represented as a food for which a standard of fill of container has been prescribed by rules of the board and it falls below the standard of fill of container applicable thereto, unless its label bears, in the manner and form as the rules specify, a statement that it falls below the standard;

(i) if it is not subject to the provisions of subsection (7)(g), unless its label bears:

(i) the common or usual name of the food, if any; and

(ii) in case it is fabricated from two or more ingredients, the common or usual name of each ingredient, except that spices, flavorings, and colorings may, when authorized by the board, be designated as spices, flavorings, and colorings without naming each. To the extent that compliance with the requirements of this subsection (ii) is impracticable or results in deception or unfair competition, exemptions must be established by rules promulgated by the board.

(j) if it purports to be for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the board, after consultation with the U.S. secretary of agriculture, by rule prescribes as necessary in order to fully inform purchasers as to its value for such uses;

(k) if it bears or contains an artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact, provided that to the extent that compliance with the requirements of this subsection (k) is impracticable, exemptions must be established by rules promulgated by the board; or

(l) if it fails to bear directly thereon and on its containers, as the board may by rule prescribe, the official inspection legend and establishment number of the establishment where the product was prepared and other information as the board may require to assure that it will not have false or misleading labeling and that the public will be informed of the manner of handling required to maintain the meat in a wholesome condition.

(8) "Official establishment" means an establishment licensed by the board at which inspection of the slaughter of livestock or poultry or the preparation of meat food products is maintained under 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236.

(9) "Pesticide chemical", "food additive", "color additive", and "raw agricultural commodity" have the same meanings as provided in 21 U.S.C. 321.

(10) "Poultry" means any domesticated bird, whether alive or dead.

(11) "Prepared" means slaughtered, canned, salted, stuffed, rendered, boned, cut up, or otherwise manufactured or processed.

**History: En. Sec. 2, Ch. 577, L. 1987.**

**Cross-References**

Municipal regulation of foodstuffs, 7-21-4202.

**81-9-218. Exemptions.** (1) The following persons are exempt from 81-9-201, 81-9-216 through 81-9-220, and 81-9-226 through 81-9-236:

(a) a person who slaughters livestock or poultry or prepares or processes livestock or poultry products for his own personal or household use; and

(b) a person who transports dead, dying, or diseased animals or poultry for the purpose of treatment, burial, or disposal in a manner that would prevent the carcasses from being used as human food.

(2) A person engaged in the custom slaughtering of livestock or poultry delivered by the owner for custom slaughter or a person engaged in the preparation of the carcasses and parts and meat food products of such livestock or poultry when slaughtered or prepared for exclusive use in the owner's household by the owner or members of his household or his nonpaying guests or employees is exempt from 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, provided the carcasses, parts, or meat food products or containers of such articles are:

(a) kept separate from carcasses, parts, or meat food products prepared for sale;

(b) plainly marked "Not for Sale" immediately after being slaughtered or prepared and remain plainly marked until delivered to the owner; and

(c) prepared and packaged in a sanitary manner and in a sanitary facility.

**History: En. Sec. 11, Ch. 577, L. 1987; amd. Sec. 2, Ch. 200, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (2) that read: "(2) a person engaged in custom slaughtering of livestock and preparation of the carcasses and parts and meat food products thereof only with respect to the slaughter of livestock delivered by the owner for custom slaughter and the preparation of the carcasses for use by the owner in his own household or by members of his household or nonpaying guests"; inserted (2) relating to custom slaughtering; and made minor changes in form. Amendment effective March 21, 1989.

**81-9-219. Application.** The provisions of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 apply to persons, establishments, animals, and articles regulated under the Federal Meat Inspection Act, 21 U.S.C. 601 through 695, or the federal Poultry Products Inspection Act, 21 U.S.C. 451 through 470, as those acts read on October 1, 1987, only to the extent provided for therein.

**History: En. Sec. 16, Ch. 577, L. 1987.**

**81-9-220. Rules.** The board, upon the recommendation of the chief, shall adopt rules consistent with the requirements of the rules of the U.S. department of agriculture governing meat inspection. The rules must:

(1) require ante-mortem and post-mortem inspections, quarantines, segregation, and reinspections with respect to the slaughter of livestock and poultry and the preparation of livestock and poultry products at all official establishments;

(2) require the identification of livestock and poultry and the marking and labeling of livestock or poultry products as "Montana Inspected and Passed" if they are found upon inspection not to be adulterated;

(3) require the destruction for food purposes of all livestock, poultry, livestock products, and poultry products that have been found to be adulterated;

(4) set standards for ingredients of livestock products, meat, and poultry products;

(5) set standards for labeling, marking, or branding of meat, livestock products, and poultry products;

(6) set standards for the weights or measures of meats, livestock products, and poultry products not inconsistent with standards established under Title 30, chapter 12;

(7) set standards for the filling of containers for meat, livestock products, and poultry products;

(8) regulate the false or fraudulent advertising of meat, livestock products, and poultry products;

(9) provide for periodic investigations of the sanitary conditions of each official establishment and withdraw or otherwise refuse to license and inspect those establishments where the sanitary conditions are such as to render adulterated any meat products prepared or handled therein;

(10) prescribe sanitation requirements for all official establishments;

(11) require all persons subject to 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 to maintain full and complete records of all transactions involving meat, livestock products, or poultry products and to make the records available on request to the chief or his inspectors at any reasonable time; and

(12) prescribe additional standards, methods, and procedures as are necessary to effect the purposes of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236.

**History: En. Sec. 4, Ch. 577, L. 1987.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

### 81-9-221 through 81-9-225 reserved.

**81-9-226. Chief meat inspector — deputies — qualifications.** (1) There is a chief meat inspector, who must be appointed by the board and shall serve at its pleasure.

(2) The chief shall supervise the state meat inspection program established in 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 and shall enforce the provisions of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 to assure the public that only pure, wholesome, and unadulterated meat or meat food products are offered for sale.

(3) Upon recommendation of the chief, the board shall appoint veterinary meat inspectors and lay meat inspectors, who must be responsible to the chief and who shall conduct ante-mortem and post-mortem inspections, enforce sanitary requirements, and perform other necessary meat inspection duties.

(4) An inspector assigned to an official establishment may not be related to the management of the establishment or have any financial interest therein.

**History: En. Sec. 3, Ch. 577, L. 1987; amd. Sec. 3, Ch. 200, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted second sentence of (1) that read: "Such person must be a veterinarian licensed in Montana who has practiced veterinary medicine for 5 years or longer." Amendment effective March 21, 1989.

**81-9-227. Application for state meat inspection service — assignment of establishment number.** (1) Any meat establishment licensed under

81-9-201 may apply to the board for state meat and poultry inspection service. The application must include:

(a) the name and address of the establishment;

(b) the type of establishment;

(c) a complete description of the facilities and equipment;

(d) the day of the week and hours of the day when the establishment is in operation; and

(e) other information required by the chief.

(2) The chief, upon receipt of the application, shall inspect the applicant's facilities and equipment. If the establishment is found to be clean and sanitary and if it meets the requirements of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, the board shall authorize the granting of state meat inspection service to the applicant. The board shall then assign an official establishment number to the approved establishment to be used to mark the meat of the carcasses and parts of carcasses that are offered for sale.

**History:** **En. Sec. 5, Ch. 577, L. 1987.**

**81-9-228. Inspection stamps.** (1) The board shall provide meat inspection stamps to all official establishments, which must contain the words "Montana Inspected and Passed". The inspection stamps must be designed by the board so as to be not in conflict with inspection stamps of the U.S. department of agriculture.

(2) Approved official establishments may use symbols of the inspection stamps on the processed meats and meat food products they offer for sale if they are in compliance with the provisions of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236.

(3) The meat inspection stamps must at all times be under the jurisdiction of the chief.

**History:** **En. Sec. 6, Ch. 577, L. 1987; amd. Sec. 77, Ch. 83, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2) changed "offered" to "offer".

**81-9-229. Assignment of inspectors.** (1) The chief shall assign inspectors to each official establishment and may assign one inspector to two or more establishments.

(2) No establishment may slaughter or process any cattle, buffalo, sheep, swine, goats, or poultry unless there is an assigned inspector present. The hours of the day and days of each week, including holidays or weekends, when the establishment is slaughtering or processing meat must be satisfactorily arranged between the chief and each establishment. Establishments shall pay overtime fees to the board when services are rendered in excess of 8 hours a day or on holidays or weekends.

**History:** **En. Sec. 7, Ch. 577, L. 1987.**

**81-9-230. Ante-mortem and post-mortem inspection required.** (1) Official establishments must have an ante-mortem inspection. The inspector assigned to each establishment shall examine each animal immediately prior to slaughter for the purpose of eliminating all unfit animals and segregating for more thorough examination all animals suspected of being affected with a condition that might influence their disposition on post-mortem inspection. The unfit animals may not enter the slaughtering facilities of the plant. The suspected animals which after inspection are permitted to be slaughtered must be handled separately from the regular kill and given a special post-mortem examination.

(2) Official establishments must have a post-mortem inspection. The post-mortem inspection must be made at the time the animals are slaughtered. The inspectors shall examine the cervical lymph glands, the skeletal lymph glands, the viscera and organs, with their lymph glands, and all exposed surfaces of the carcasses of all cattle, buffalo, sheep, swine, and goats. The examination must be conducted in the slaughtering facilities of the establishment during the slaughtering operations.

(3) The chief or any of his inspectors may have a laboratory designated by the board make pathogenic examination of animals or parts thereof for completion of ante-mortem or post-mortem inspection.

**History: En. Sec. 8, Ch. 577, L. 1987.**

**81-9-231. Condemnation and appeal.** The inspector at an official establishment shall condemn all diseased or otherwise unfit carcasses and parts of carcasses, including the viscera. The condemned parts must be removed from the slaughtering facilities of the plant in equipment designated for that purpose and must be destroyed for food purposes under the supervision of the inspector. If an establishment wishes to appeal a decision of an inspector as to carcasses or parts of carcasses that have been condemned, the establishment may appeal the decision to the chief or any veterinarian the chief may designate. If the establishment is not satisfied and wishes to make a further appeal, it may submit an appeal to the board, whose decision is final unless the person aggrieved, within 10 days after the date of the decision, appeals to the district court of the district in which the licensed premises are located.

**History: En. Sec. 9, Ch. 577, L. 1987.**

**81-9-232. Regulation of equine, game farm animal, or rabbit carcasses or products.** (1) Equines, game farm animals, and rabbits and their carcasses, parts thereof, and meat food products must be slaughtered and prepared in establishments separate from the establishments where cattle, buffalo, sheep, swine, or goats are slaughtered or their carcasses, parts thereof, or meat food products are prepared.

(2) The board may by rule otherwise limit the entry of equine, game farm animal, or rabbit carcasses, parts of carcasses, meat food products, and other materials into any establishment where inspection under 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 is maintained, under conditions as it may prescribe to assure that allowing the entry of the articles into inspected establishments will be consistent with the purposes of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236.

**History: En. Sec. 10, Ch. 577, L. 1987.**

**Cross-References**

Municipal regulation of foodstuffs, 7-21-4202.

**81-9-233. Cooperation with state and federal authorities.** (1) In carrying out the provisions of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, the chief shall consult with the department of health and environmental sciences and any appropriate state laboratory in matters relating to potability of water, sewage systems, and other sanitary conditions of slaughtering and meat processing establishments that might endanger public health. If any official establishment is failing to meet minimum applicable requirements of the department of health and environmental sciences, inspection service to the establishment must be suspended as provided in 81-9-235 until the condition is remedied.

(2) The board is designated as the agency responsible for cooperating with the U.S. secretary of agriculture in receiving advisory assistance in developing the state program, technical and laboratory assistance and training, and financial assistance for administration of the program.

**History:** **En. Sec. 12, Ch. 577, L. 1987.**

**81-9-234. Violations — penalties.** (1) Except as provided in 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, no person may:

(a) slaughter livestock or poultry or prepare livestock products or poultry products for human consumption;

(b) sell or transport adulterated, misbranded, condemned, or uninspected meats, livestock products, or poultry products;

(c) falsely represent that an article has been inspected and passed or is exempted under 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 or knowingly make a false statement in any certificate provided for by rules prescribed by the board;

(d) sell or transport slaughtered poultry from which the blood, feathers, feet, head, or viscera have not been removed;

(e) fail to keep any records required by 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236;

(f) forge an official stamp, mark, or certificate;

(g) use, alter, deface, detach, or destroy an official stamp, mark, or certificate without authorization;

(h) fail to use or fail to detach, deface, or destroy an official stamp, mark, or certificate contrary to rules prescribed by the board;

(i) knowingly possess a counterfeit certificate, stamp, or label or the carcass or parts of the carcass of an animal bearing a counterfeit or improperly altered official mark;

(j) sell or transport an equine carcass or parts thereof unless they are conspicuously marked or otherwise identified to show the kind of animal from which they were derived;

(k) buy, sell, or transport livestock products or poultry products not intended for human food unless they are naturally inedible by humans or are denatured or identified as required by rules prescribed by the board;

(l) engage in the business of buying, selling, or transporting dead, dying, disabled, or diseased animals or parts of the carcasses of animals that died otherwise than by slaughter, or buy, sell, or transport dead, dying, disabled, or diseased livestock or poultry or the products of such livestock or poultry that died otherwise than by slaughter unless in accordance with rules adopted under 81-9-302 to assure that such livestock or poultry or the unwholesome parts or products thereof will be prevented from being used for human food purposes.

(2) A person who violates 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 or rules adopted under 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 for which no other criminal penalty is provided is guilty of a misdemeanor and upon conviction is punishable by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both. If the violation involves intent to defraud or any distribution or attempted distribution of an article that is adulterated, such person is guilty of a felony and upon conviction is punishable by imprisonment for not more than 3 years or by a fine of not more than $10,000, or both.

**History:** **En. Sec. 13, Ch. 577, L. 1987.**

**81-9-235. Suspension or revocation of inspection service or establishment number — hearing — appeal.** (1) Any license issued by the board or any state meat inspection service or establishment number may be suspended or revoked by the board for noncompliance with 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 or any rule adopted pursuant to 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236.

(2) State meat inspection service or establishment numbers may be suspended or revoked only after a hearing before the board upon reasonable notice. Notice must be given the licensee by service of the complaint upon him.

(3) The decision of the board is final in any matter relating to renewal, suspension, or revocation of state meat inspection service or an establishment number unless the person aggrieved, within 10 days after the date of the decision, appeals to the district court of the district in which the licensed premises are located. The court shall hear and determine the matter within 10 days after the date of filing the appeal. After such decision, the person aggrieved may, in compliance with the statutory provisions relating thereto, appeal the decision of the district court to the supreme court of the state, but the suspension or revocation of state meat inspection service or an establishment number remains in effect pending the outcome of the appeal.

**History:** **En. Sec. 14, Ch. 577, L. 1987.**

**Cross-References**

Judicial review of contested cases, Title 2, ch. 4, part 7.

**81-9-236. Injunction.** In addition to remedies provided in 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, the board is authorized to apply to the district court for and the court shall have jurisdiction, upon hearing and for cause shown, to grant a temporary or permanent injunction restraining any person from violating a provision of 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236, whether or not there exists an adequate remedy at law.

**History:** **En. Sec. 15, Ch. 577, L. 1987.**

**Cross-References**

Injunctions, Title 27, ch. 19.

## Part 3

## Rendering or Disposal Plants

**81-9-301. Licensing of rendering or disposal plants.** (1) It is unlawful to operate in this state a rendering or disposal plant or establishment that is intended to be operated for the disposal of bodies or parts of bodies of animals or fowl in any manner, except for human consumption, without first securing a license from the department of livestock.

(2) The license expires on December 31 of the year in which it is issued. The department shall establish a fee to be charged for licenses issued under 81-9-301 through 81-9-306.

(3) All license fees collected shall be paid into the state special revenue fund for the use of the department.

**History: En. Sec. 1, Ch. 148, L. 1949; amd. Sec. 159, Ch. 310, L. 1974; R.C.M. 1947, 46-2401; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 21, Ch. 444, L. 1983.**

**Cross-References**

State Treasury General Fund, 17-2-102.

**81-9-302. Power of department to adopt and enforce rules.** The department may adopt and enforce rules or orders necessary for the supervision, control, and inspection of rendering or disposal plants or establishments, their standards and methods of operation and their sanitary conditions, and the supervision, control, and inspection of equipment of the plant, where the rendering or disposal plants or establishments are intended to be operated for the disposal of bodies or parts of bodies of dead animals or fowl in any manner, except for human consumption. Vehicles and equipment used for the transportation of these bodies or parts of bodies are subject to the rules or orders adopted by the department which are applicable to the vehicles or equipment. Sections 81-9-301 through 81-9-306 do not apply to the slaughtering and handling of animals or fowl for human consumption.

**History: En. Sec. 2, Ch. 148, L. 1949; amd. Sec. 160, Ch. 310, L. 1974; R.C.M. 1947, 46-2402.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-9-303. Power of department to restrain operation of rendering plant.** (1) The department may restrain the operation of a rendering or disposal plant or establishment engaged in the collection or handling of the bodies or parts of bodies of dead animals or fowl, where the operation is carried on in violation of the laws of this state or the rules or orders of the department, after a hearing held on 5 days' written notice of the hearing to the licensee. The restraining order may be issued without notice of hearing where in the discretion of the department the violation constitutes a menace to public health requiring immediate and summary abatement.

(2) The licensee may appeal to the district court on giving written notice of appeal to the restraining authority within 10 days after service of the restraining order, whether the order is made on hearing or summarily. The written notice of appeal does not stay execution of the restraining order when the restraining order is issued without hearing to restrain a menace to public health requiring immediate and summary abatement.

(3) Where the restraining order is issued after a hearing, the hearing before the district court is on the record, together with any additional evidence offered. Where the order is issued without hearing, the hearing before the district court is on evidence offered at the hearing.

(4) Where the appeal is from an order issued after hearing, the appellant shall pay the cost of the transcript, which must be filed not more than 30 days from the date of filing the notice of appeal. However, the court may, in its discretion, extend the time for filing the transcript.

**History:** **En. Sec. 3, Ch. 148, L. 1949; amd. Sec. 161, Ch. 310, L. 1974; R.C.M. 1947, 46-2403.**

**Cross-References**

Restraining order, Title 27, ch. 19, part 3.

**81-9-304. Power of department to revoke license of rendering plant.** A license to operate a rendering or disposal plant may be revoked at any time by the department when it determines that a person to whom the license is issued has failed to comply with any statute of this state or rules or orders of the department and on hearing before the department, after 10 days' written notice. Service and filing of a notice of appeal to a district court stays execution of the order.

**History:** **En. Sec. 4, Ch. 148, L. 1949; amd. Sec. 162, Ch. 310, L. 1974; R.C.M. 1947, 46-2404.**

**81-9-305. Power to administer oaths, subpoena witnesses, and receive evidence.** Hearings held under 81-9-301 through 81-9-306 for either revocation of licenses or to restrain operation shall be held by the department, and the department or its agent may administer oaths, subpoena witnesses, and receive evidence in order to carry out 81-9-301 through 81-9-306.

**History:** **En. Sec. 5, Ch. 148, L. 1949; amd. Sec. 163, Ch. 310, L. 1974; R.C.M. 1947, 46-2405.**

**Cross-References**

Contested cases, Title 2, ch. 4, part 6.

**81-9-306. Penalty for violation.** Operation of a rendering or disposal plant or establishment without a license from the department or operation of a rendering or disposal plant or establishment in violation of a restraining order or after revocation of a license constitutes a misdemeanor, punishable by a fine of not less than $50 or more than $250 for each day of illegal operation.

**History:** **En. Sec. 6, Ch. 148, L. 1949; amd. Sec. 164, Ch. 310, L. 1974; R.C.M. 1947, 46-2406.**

**81-9-307 through 81-9-310 reserved.**

**81-9-311. Dead or fallen animal rendering plants — definitions.** When used in 81-9-311 through 81-9-317, the following definitions apply:

(1) "Dead or fallen animal" means the carcass or dead body of a cow, ox, bull, stag, calf, steer, heifer, horse, mule, mare, colt, foal, or filly, the continued existence of which would create a public nuisance and constitute a hazard to the public health, which is not killed for human consumption and is to be salvaged for the purpose of obtaining the hide and grease or fat from the animal.

(2) "Licensed rendering plant" and "licensed renderer" mean a person, partnership, association, or corporation which is engaged in the disposal of dead or fallen animals and which is licensed by the department.

**History:** **En. Sec. 1, Ch. 87, L. 1949; amd. Sec. 165, Ch. 310, L. 1974; R.C.M. 1947, 46-2407.**

**Cross-References**

Public nuisances, 45-8-111.

**81-9-312. Identification tags.** Licensed rendering plants shall provide themselves with serially-numbered metal identification tags of a size and design prescribed by the department and in a number series assigned by the department.

**History:** **En. Sec. 2, Ch. 87, L. 1949; amd. Sec. 166, Ch. 310, L. 1974; R.C.M. 1947, 46-2408.**

**81-9-313. Dead or fallen animal records.** (1) When a licensed renderer or his agent receives a dead or fallen animal, he shall present a dead or fallen animal record to the person, corporation, or association which has requested him to remove the dead or fallen animal. The record shall be on forms prescribed by the department and contain information the department may, by rule, require.

(2) The report shall be executed in quadruplicate. The original copy shall accompany the carcass and hide until the hide is officially inspected for marks and brands. The duplicate shall be retained by the licensed renderer for the time which the department in its discretion requires. The triplicate shall be filed within 7 days after its execution and without cost in the office of the county clerk and recorder of the county in which the animal is received by the licensed renderer or his agent. The quadruplicate shall be retained by the person, corporation, or association which requested removal of the dead or fallen animal.

**History:** **En. Sec. 3, Ch. 87, L. 1949; amd. Sec. 167, Ch. 310, L. 1974; R.C.M. 1947, 46-2409.**

**81-9-314. Animals to be tagged.** At the time of the execution of the dead or fallen animal record, provided for above, the licensed renderer or his agent who receives a dead or fallen animal shall tag such animal with one of the serially numbered identification tags provided in 81-9-312 and shall at the same time record the number of said tag in the proper space provided therefor on the dead or fallen animal record.

**History:** **En. Sec. 4, Ch. 87, L. 1949; R.C.M. 1947, 46-2410.**

**81-9-315. Production of dead or fallen animal record on demand — animal not to be removed during transportation — investigation.** (1) On demand of a livestock inspector, sheriff, undersheriff, deputy sheriff, or other peace officer, a licensed renderer or his agent who has received a dead or fallen animal shall produce for inspection of the officer an executed dead or fallen animal record identifying each dead or fallen animal which he is transporting when the demand is made. Failure to produce the executed dead or fallen animal record on demand constitutes a misdemeanor punishable as provided in 81-9-317.

(2) Under no circumstances may a licensed renderer or his agent endanger the public health by removing or being required to remove any dead or fallen animals from the vehicle in which they are being transported until the vehicle arrives at a licensed rendering plant where the dead or fallen animal shall be handled and disposed of in conformity with the rules of the department.

(3) If a livestock inspector, sheriff, undersheriff, deputy sheriff, or other peace officer has probable cause to believe the dead or fallen animals being transported by a licensed renderer or his agent were obtained by a commission of a felony, he may take the licensed renderer or his agent, as well as the vehicle, into custody and proceed with the licensed renderer or his agent

to the rendering plant of the licensed renderer, where inspection of marks and brands and immediate investigation shall be made.

**History:** **En. Sec. 5, Ch. 87, L. 1949; amd. Sec. 168, Ch. 310, L. 1974; R.C.M. 1947, 46-2411.**

**Cross-References**

Penalty for felony, 46-18-213.

**81-9-316. Disposal of hides — inspection — filing of record.** When a licensed renderer or his agent disposes of the hides from dead or fallen animals, the hides shall be handled and inspected for marks and brands in conformity with part 4 of this chapter. The sheriff, deputy sheriff, person designated by the board of county commissioners, or the agent of the department who makes the inspection for marks and brands in conformity with part 4 of this chapter shall complete the original dead or fallen animal record which accompanies the hide by inserting his inspector's tag number. He shall file the completed original dead or fallen animal record without cost in the office of the county clerk and recorder, together with the duplicate certificate of inspection required to be filed under part 4 of this chapter.

**History:** **En. Sec. 6, Ch. 87, L. 1949; amd. Sec. 169, Ch. 310, L. 1974; amd. Sec. 55, Ch. 12, L. 1977; R.C.M. 1947, 46-2412.**

**81-9-317. Penalty.** Any person who violates any of the provisions of 81-9-311 through 81-9-317 or who willfully falsifies any of the records required by 81-9-311 through 81-9-317 to be kept shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than $50 or more than $250 or by imprisonment in the county jail for a period of not less than 30 days or more than 90 days or by both such fine and imprisonment.

**History:** **En. Sec. 7, Ch. 87, L. 1949; R.C.M. 1947, 46-2413.**

## Part 4

## Hide Dealers

**81-9-401. Definitions.** (1) "Animal hide" means the hide of a bovine, equine, mule, ass, sheep, goat, or swine of any age, sex, or breed.

(2) "Hide certificate" means a certificate showing a transfer of ownership of animal hides.

(3) "Hide dealer" or "buyer" means, for the purpose of this part, every person, firm, corporation, or association engaged in the business of buying or selling animal hides. However, licensed slaughterhouses shall not be deemed hide dealers or buyers.

(4) "Inspector" means a state stock inspector or deputy state stock inspector, as defined in 81-3-201, appointed by the department of livestock.

(5) "Seller" means a person selling or delivering animal hides for or without a pecuniary consideration.

**History:** **(1), (2), (4), (5)En. Sec. 1, Ch. 44, L. 1961; amd. Sec. 142, Ch. 310, L. 1974; Sec. 46-1101.1, R.C.M. 1947; (3)En. Sec. 1, Ch. 151, L. 1929; re-en. Sec. 3350.7, R.C.M. 1935; amd. Sec. 1, Ch. 177, L. 1939; amd. Sec. 4, Ch. 44, L. 1961; Sec. 46-1106, R.C.M. 1947; R.C.M. 1947, 46-1101.1, 46-1106; amd. Sec. 1, Ch. 236, L. 1979.**

**81-9-402. Hide certificate — identification.** (1) A seller of an animal hide shall obtain a hide certificate from the person receiving the hide. The department shall prescribe the form of the certificate, which shall include the marks and brands on each hide. The party receiving the hide must designate where it will be kept for 30 days following delivery. The certificate must be signed by the seller or his agent and the person receiving the hide.

(2) The original certificate shall be sent by the party receiving the hide to the department within 5 days after purchase. One copy shall be retained by the seller; and one, by the hide buyer. On reasonable notice, an inspector or other agent of the department or a peace officer may inspect the hide certificate copy of the seller or buyer.

(3) The department shall prescribe an identification tag to be affixed to each hide by the person receiving the hide when it is delivered. Hide certificates, tags, and glue shall be furnished by the department at cost to any person requiring the certificates, tags, and glue. Only those certificates, tags, and glue distributed by the department may lawfully be used under this part.

**History:** **En. Sec. 2, Ch. 44, L. 1961; amd. Sec. 143, Ch. 310, L. 1974; amd. Sec. 45, Ch. 12, L. 1977; R.C.M. 1947, 46-1101.2; amd. Sec. 2, Ch. 236, L. 1979.**

**81-9-403. Seizure and sale of hides when ownership cannot be determined — disposition of proceeds.** (1) A state stock inspector or other officer who has authority to make an inspection of a slaughtered beef, veal, or hide of a beef or veal may seize and hold the hide when on inspection the officer finds that the brand is so altered, obliterated, or defaced that the original brand cannot be determined by a reasonable inspection or when he finds that ownership cannot be established by the brand or by other satisfactory proof.

(2) If, within 15 days after the seizure of the hide, proof of ownership cannot be established either by brand, bill of sale, or otherwise, the officer may sell the hide at the best available price and remit the proceeds, less the cost of processing, storing, and selling, to the department together with a full report of his investigation. The report shall contain a statement of the reason for the seizure and sale together with any tendered proof of ownership of any party. The proceeds shall be deposited by the department with the state treasurer and credited to the stock estray fund, where it shall be subject to claim by a party showing proper proof of ownership in the same manner as provided in 81-4-605.

**History:** **En. Sec. 1, Ch. 113, L. 1961; amd. Sec. 145, Ch. 310, L. 1974; R.C.M. 1947, 46-1114.**

**81-9-404 through 81-9-410 reserved.**

**81-9-411. Hide dealer or buyer's license fee — disposition of proceeds.** Before engaging in business in this state, a hide dealer or buyer shall obtain a license from the department. The department shall establish an annual license fee to be charged for each established place of business at which the hide dealer or buyer purchases or deals in hides. The license continues in force for that calendar year. The moneys collected from the licenses shall be placed in the state special revenue fund for the department. The license must be renewed January 1 of each year.

**History:** **En. Sec. 2, Ch. 151, L. 1929; re-en. Sec. 3350.8, R.C.M. 1935; amd. Sec. 2, Ch. 177, L. 1939; amd. Sec. 5, Ch. 44, L. 1961; amd. Sec. 4, Ch. 248, L. 1965; amd. Sec. 144, Ch. 310, L. 1974; amd. Sec. 48, Ch. 12, L. 1977; R.C.M. 1947, 46-1107; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 22, Ch. 444, L. 1983.**

**81-9-412. License revocation.** Upon receipt of a certified copy of the judgment of conviction of any hide dealer or buyer for any violation of this part, the department may revoke the license of such person for 1 year commencing on the date of the licensee's conviction.

**History: En. Sec. 6, Ch. 44, L. 1961; amd. Sec. 49, Ch. 12, L. 1977; R.C.M. 1947, 46-1107.1(2).**

### 81-9-413 through 81-9-420 reserved.

**81-9-421. Falsifying hide certificate or failure to affix tag deemed a misdemeanor.** (1) Any person, firm, association, or corporation either selling or disposing of or purchasing hides in any manner who shall willfully or intentionally falsify a hide certificate covering such hides shall be deemed guilty of a misdemeanor.

(2) Any person who shall have received any hide as provided in this part without affixing the required identification tag shall be deemed guilty of a misdemeanor.

**History: En. Sec. 2, Ch. 61, L. 1923; re-en. Sec. 3350.2, R.C.M. 1935; amd. Sec. 4, Ch. 177, L. 1939; amd. Sec. 3, Ch. 44, L. 1961; R.C.M. 1947, 46-1102.**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-9-422. Acting without a license a misdemeanor.** Any person acting as a hide dealer or buyer without a license as required by this part is guilty of a misdemeanor.

**History: En. Sec. 6, Ch. 44, L. 1961; amd. Sec. 49, Ch. 12, L. 1977; R.C.M. 1947, 46-1107.1(1).**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-9-423. Mutilation or concealment of hides a felony.** Every person who knowingly mutilates, destroys, or conceals an animal hide for the purpose of removing evidence of ownership of such hide or the animal from which the hide was removed is guilty of a felony and punishable upon conviction thereof by a fine of not less than $500 or more than $5,000 or imprisonment in the state prison for not less than 1 year or more than 10 years, or both.

**History: Ap.p. Sec. 1, Ch. 76, L. 1923; re-en. Sec. 3350.4, R.C.M. 1935; amd. Sec. 46, Ch. 12, L. 1977; Sec. 46-1103, R.C.M. 1947; Ap.p. Sec. 3, Ch. 76, L. 1923; re-en. Sec. 3350.6, R.C.M. 1935; Sec. 46-1105, R.C.M. 1947; R.C.M. 1947, 46-1103, 46-1105; amd. Sec. 3, Ch. 236, L. 1979.**

**81-9-424. Sufficiency of pleading and proof in criminal prosecution.** In any prosecution for the violation of the provisions of 81-9-423 it is not necessary for the state to allege in the complaint or information the ownership of the hide or of the animal from which the hide was removed, but it is sufficient to allege in the complaint or information that the owner of the hide or of the animal from which the hide was removed is unknown and the hide or animal is not the property of the defendant.

**History: En. Sec. 2, Ch. 76, L. 1923; re-en. Sec. 3350.5, R.C.M. 1935; amd. Sec. 47, Ch. 12, L. 1977; R.C.M. 1947, 46-1104; amd. Sec. 11, Ch. 14, L. 1979.**

# CHAPTERS 10 THROUGH 19

## RESERVED

# CHAPTER 20

## POULTRY AND EGGS

### Part 1 — Poultry

81-20-101. Poultry industry — powers and authority of department.
81-20-102. Injunctive remedies.
81-20-103. Violation.
81-20-104. Civil liability.

### Part 2 — Eggs

81-20-201. Egg dealer's and egg grader's licenses — fee.
81-20-202. Remittance of fees.
81-20-203. Candling eggs intended for human consumption — candling defined.
81-20-204. Certificate of candling or packing.
81-20-205. Egg — when defined as unfit for human food.
81-20-206. Notice to purchaser of grade of eggs.
81-20-207. Rules to be adopted by department of livestock.
81-20-208. Penalties.
81-20-209. Revocation of license.

**Chapter Cross-References**

Town or city power to regulate inspection and sale of meat and poultry, 7-21-4202.

Certain livestock exempt from taxation, 15-6-207.

Livestock per capita tax levy, 15-24-921.

Meat, poultry, and seafood to be sold by weight, 30-12-401.

Cock fights prohibited, 45-8-210.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

Consideration of administrator's expertise, 81-1-303.

Meat and Poultry Inspection Act, 81-9-216, et seq.

## Part 1

## Poultry

**81-20-101. Poultry industry — powers and authority of department.** For the promotion and protection of the poultry industry and to prevent, control, and exterminate infectious, contagious, dangerous, and destructive diseases affecting poultry, the department shall:

(1) supervise the sanitary condition of poultry in this state, under the provisions of the constitution and statutes of this state and the rules adopted by the department. The department may quarantine any lot, yard, land, building, room, premises, enclosure, or other place or section in this state which is or may be used or occupied by poultry and which, in the judgment of the department, is infected or contaminated with an infectious, contagious, communicable, or dangerous disease or disease-carrying medium by which the disease may be communicated. The department may quarantine any poultry in this state when the poultry is affected with or has been exposed to disease

or disease-carrying medium. The department may prescribe treatments and enforce sanitary rules which are necessary and proper to circumscribe, extirpate, control, or prevent the diseases.

(2) foster, promote, and protect the poultry industry in this state by the investigation of diseases and other subjects related to ways and means of preventing, controlling, and exterminating diseases of poultry;

(3) adopt and enforce rules for the prevention and extermination of such diseases and perform all other acts and things as may be necessary or proper in the fostering, promotion, or protection of the poultry industry in this state;

(4) adopt and enforce rules and orders necessary or proper to prevent the introduction or spreading of infectious, contagious, communicable, or dangerous diseases affecting poultry in this state, including rules and orders necessary or proper governing inspections and tests of all poultry intended for importation into this state, before it may be imported into this state;

(5) adopt and enforce rules and orders necessary or proper for the inspection, testing, and quarantine of all poultry imported into this state.

**History: En. Sec. 1, Ch. 161, L. 1929; re-en. Sec. 3267.1, R.C.M. 1935; amd. Sec. 57, Ch. 310, L. 1974; R.C.M. 1947, 46-209.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-20-102. Injunctive remedies.** The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating the provisions of this part or rules adopted under 81-20-101, notwithstanding the existence of other remedies at law. When the application of other remedies has been insufficient to compel action to control, extirpate, or prevent the spread of disease or upon a showing that an animal disease emergency exists and that other remedies probably would be insufficient to compel action to control the emergency, the department may apply for and the court may grant mandatory injunctive relief.

**History: En. 46-210.1 by Sec. 1, Ch. 190, L. 1977; R.C.M. 1947, 46-210.1.**

**Cross-References**

Provisions providing for injunctions, Title 27, ch. 19, part 3.

**81-20-103. Violation.** Any person, persons, firm, or corporation violating any provision of 81-20-101 or any rule or order promulgated by authority of the same or who shall obstruct or interfere with the performance of any duty or the exercise of any power hereby conferred shall be guilty of a misdemeanor.

**History: En. Sec. 2, Ch. 161, L. 1929; re-en. Sec. 3267.2, R.C.M. 1935; R.C.M. 1947, 46-210.**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-20-104. Civil liability.** A person, firm, or corporation which violates this part or rules or orders of the department is liable for damages sustained by a person because of the violation. The damages may be recovered by the person in a civil action in a court of competent jurisdiction.

**History: En. Sec. 30, Ch. 262, L. 1921; re-en. Sec. 3289, R.C.M. 1921; re-en. Sec. 3289, R.C.M. 1935; amd. Sec. 81, Ch. 310, L. 1974; amd. Sec. 24, Ch. 12, L. 1977; R.C.M. 1947, 46-239.**

**Cross-References**

District Court jurisdiction, Art. VII, sec. 4, Mont. Const.

District Court jurisdiction, Title 3, ch. 5, part 3.

Montana Rules of Civil Procedure, Title 25, ch. 20.

Damages, Title 27, ch. 1, part 2.

## Part 2

## Eggs

**81-20-201. Egg dealer's and egg grader's licenses — fee.** (1) No person may buy, sell, or deal in eggs without first obtaining a license from the department of livestock for each establishment at which business is conducted. A licensee shall send to the department the reports which are requested by the department. The department shall establish a license fee for dealers buying eggs for sale at retail and for dealers buying eggs for resale at wholesale. All licenses shall be posted in a conspicuous place in each place of business. Licenses expire March 31 each year after the date of issuance.

(2) A person buying, selling, or dealing in eggs, a major portion of which are produced by his own fowl, or in amounts less than an average of 25 cases per month, is exempt from the requirements of this section.

(3) Wholesale and retail dealers who handle more than 25 cases of eggs per month supplying eggs to consumers must, when selling candled eggs, sell only eggs candled by or under the supervision of experienced and licensed graders. The department shall establish a fee for a grader's license. All candlers and graders must pass an examination required by the department. The license expires March 31 each year after the date of issuance.

**History: (1), (2)En. Sec. 1, Ch. 189, L. 1931; re-en. Sec. 2634.1, R.C.M. 1935; amd. Sec. 1, Ch. 151, L. 1939; amd. Sec. 4, Ch. 121, L. 1965; amd. Sec. 1, Ch. 176, L. 1969; amd. Sec. 1, Ch. 310, L. 1974; amd. Sec. 1, Ch. 141, L. 1977; Sec. 3-2301, R.C.M. 1947; (3)En. Sec. 9, Ch. 151, L. 1939; re-en. Sec. 2634.13, R.C.M. 1935; amd. Sec. 1, Ch. 88, L. 1953; amd. Sec. 7, Ch. 121, L. 1965; amd. Sec. 6, Ch. 310, L. 1974; amd. Sec. 5, Ch. 141, L. 1977; Sec. 3-2313, R.C.M. 1947; R.C.M. 1947, 3-2301, 3-2313; amd. Sec. 23, Ch. 444, L. 1983.**

**81-20-202. Remittance of fees.** All license fees shall be remitted to the department of livestock which shall deposit them in the state treasury to the credit of the general fund.

**History: En. Sec. 2, Ch. 189, L. 1931; re-en. Sec. 2634.2, R.C.M. 1935; amd. Sec. 42, Ch. 147, L. 1963; amd. Sec. 2, Ch. 310, L. 1974; R.C.M. 1947, 3-2302.**

**Cross-References**

State Treasury General Fund, 17-2-102.

**81-20-203. Candling eggs intended for human consumption — candling defined.** Every person engaged in the business of buying eggs intended for human consumption for resale shall maintain an adequate place for the proper candling and handling of the eggs by an egg grader licensed pursuant to this part or shall purchase only eggs which have already been properly candled and graded under the supervision of an egg grader licensed pursuant to this part. The term "candling" as used in this part means the careful examination, in a partially dark room or place, of the whole egg by means of a strong light.

**History: En. Sec. 3, Ch. 189, L. 1931; re-en. Sec. 2634.3, R.C.M. 1935; amd. Sec. 2, Ch. 141, L. 1977; R.C.M. 1947, 3-2303.**

**81-20-204. Certificate of candling or packing.** Every person buying eggs for resale at retail, except persons or firms who do not buy and sell more than 25 cases of eggs per month, shall candle all eggs offered to him which have not been candled under supervision of a licensed egg grader and shall refuse to buy eggs unfit for human food as defined in 81-20-205. "Rejects" shall be returned to the producer, if possible, or, if requested, the candling shall be done in the presence of the producer. A certificate shall be placed in or on every case of eggs, if candled and graded, in a manner which permits its easy reading and shall state exact grade and size, date of candling or other date approved by the department of livestock, and name and address of packer. If not candled or graded the certificate should state "not candled or graded", the name of the dealer, and when packed. The certificate shall be printed in letters large enough to be easily read.

**History:** **En. Sec. 5, Ch. 189, L. 1931; re-en. Sec. 2634.5, R.C.M. 1935; amd. Sec. 2, Ch. 151, L. 1939; amd. Sec. 3, Ch. 141, L. 1977; R.C.M. 1947, 3-2305.**

**81-20-205. Egg — when defined as unfit for human food.** (1) Eggs hereinafter defined shall be deemed unfit for human food:

(a) "Addled" or "white rot" means an egg that is putrid or rotten.

(b) "Moldy" means an egg which, through improper care, has deteriorated so that mold spores have formed within the egg.

(c) "Blood spot" is a spot of blood adhering to the yolk of an egg.

(d) "Black rot" means an egg which has deteriorated to such an extent that the whole interior presents a blackened appearance.

(e) "Blood ring" means an egg in which the germ has developed to such an extent that blood is formed.

(f) "Adherent yolk" means an egg in which the yolk has become fastened to the shell.

(g) "Incubated eggs" shall include eggs which have been subjected to incubation, whether natural or artificial, for more than 48 hours, and it shall be unlawful to offer for sale incubated eggs unless branded or stamped with the word "incubated".

(h) "Bloody white" means an egg with a general reddish appearance due to blood mixed through it and which egg may show spots of blood floating in the white.

(i) "Meat spot" means that the egg has a speck of foreign matter adhering to the yolk or floating in the white.

(2) An egg that is smashed or broken so that the contents are leaking is unfit for human food.

(3) Eggs which are otherwise unwholesome or adulterated as such term is defined pursuant to the Federal Food, Drug, and Cosmetic Act and rules promulgated under authority of this part are unfit for human food.

**History:** **En. Sec. 6, Ch. 189, L. 1931; re-en. Sec. 2634.6, R.C.M. 1935; amd. Sec. 3, Ch. 151, L. 1939; amd. Sec. 2, Ch. 176, L. 1969; R.C.M. 1947, 3-2306.**

**81-20-206. Notice to purchaser of grade of eggs.** It is unlawful for a person to sell, offer, or expose for sale at wholesale or retail any eggs for human consumption without notifying the person purchasing or intending to purchase the eggs of the exact grade or quality and size or weight of the eggs, according to the standards prescribed by the department of livestock, by stamping or printing on the container of the eggs the grade or quality and size or weight and, if the eggs are offered for sale in bulk, without also displaying in a conspicuous place at the point where the eggs are offered or exposed for sale a placard or sign printed in letters 2 inches high giving the grade, quality, size, weight, and date of grading. This part does not affect the sale of eggs by the producers when the consumer purchases the eggs at the place of production.

**History: En. Sec. 8, Ch. 189, L. 1931; re-en. Sec. 2634.8, R.C.M. 1935; amd. Sec. 5, Ch. 151, L. 1939; amd. Sec. 1, Ch. 71, L. 1973; amd. Sec. 3, Ch. 310, L. 1974; R.C.M. 1947, 3-2308.**

**81-20-207. Rules to be adopted by department of livestock.** The department of livestock shall enforce this part and adopt rules necessary for the enforcement of this part, including rules for the processing, handling, and marketing of egg products whether shell, liquid, frozen, or dried.

**History: En. Sec. 10, Ch. 189, L. 1931; re-en. Sec. 2634.10, R.C.M. 1935; amd. Sec. 4, Ch. 176, L. 1969; amd. Sec. 5, Ch. 310, L. 1974; R.C.M. 1947, 3-2310.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-20-208. Penalties.** Any person failing to comply with the provisions of this part or any rules adopted pursuant to this part is guilty of a misdemeanor and upon conviction for the first offense shall be punished by a fine of not less than $25 or more than $75. Upon conviction for the second or any subsequent violation of the foregoing provisions of this part the violator shall be fined not less than $50 or more than $200.

**History: En. Sec. 11, Ch. 189, L. 1931; re-en. Sec. 2634.11, R.C.M. 1935; amd. Sec. 7, Ch. 151, L. 1939; amd. Sec. 4, Ch. 141, L. 1977; R.C.M. 1947, 3-2311.**

**81-20-209. Revocation of license.** A license issued by the department of livestock under this part may be revoked by the department when the holder of the license fails to comply with the laws of this state which apply to the conduct of his business under the license. If a firm, person, or corporation whose license has been revoked by the department continues to buy, sell, or deal in eggs without a license, he is guilty of a misdemeanor and is subject to the penalties provided for in 81-20-208.

**History: En. Sec. 10, Ch. 151, L. 1939; Sec. 2634.14, R.C.M. 1935; amd. Sec. 7, Ch. 310, L. 1974; R.C.M. 1947, 3-2314.**

# CHAPTER 21

# DAIRY PRODUCTS

### Part 1 — Regulation of Dairies Selling Milk or Cream for Public Consumption

81-21-101. Definitions.
81-21-102. Licensing of milk plants and dairies selling milk or cream for public consumption.
81-21-103. Exceptions of certain producers of dairy products.
81-21-104. Injunctive remedies.
81-21-105. Penalty.
81-21-106. Civil liability.

**Chapter Cross-References**

Board of Milk Control, 2-15-1802.

City or town council power to regulate the inspection of dairy products, 7-21-4202.

Measures to be used in sale of butter, oleomargarine, margarine, and fluid dairy products, 30-12-403, 30-12-404.

Dairy licensing — discrimination prohibited, 49-3-204.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

"Food manufacturing establishment" defined not to include milk facilities or plants, 50-50-102.

## Part 1

## Regulation of Dairies Selling Milk or Cream for Public Consumption

**81-21-101. Definitions.** As used in this part, the following definitions apply:

(1) "Fluid milk plant" means a place where milk or cream is not produced but is purchased or collected and prepared for distribution to the consumer in liquid form.

(2) "Public consumption" means the use of milk or cream by the public for any purpose.

**History: En. Sec. 23, Ch. 262, L. 1921; re-en. Sec. 3282, R.C.M. 1921; amd. Sec. 11, Ch. 35, L. 1923; amd. Sec. 1, Ch. 170, L. 1929; re-en. Sec. 3282, R.C.M. 1935; amd. Sec. 1, Ch. 382, L. 1973; amd. Sec. 76, Ch. 310, L. 1974; amd. Sec. 19, Ch. 12, L. 1977; R.C.M. 1947, 46-232(part); amd. Sec. 1, Ch. 40, L. 1983.**

**81-21-102. Licensing of milk plants and dairies selling milk or cream for public consumption.** (1) It is unlawful for the following businesses to operate in this state without first obtaining a license from the department:

(a) a dairy selling milk or cream for public consumption in the form in which it is originally produced;

(b) a condensed, evaporated, or powdered milk plant;

(c) a fluid milk plant.

(2) A license expires on December 31 of the year issued. The department may, following the procedures in the Montana Administrative Procedure Act, deny, suspend, or revoke a license when it determines that a person to whom the license is issued has failed to comply with the rules of the department or has failed to conduct his establishment in a sanitary manner. All license fees collected shall be deposited into the general fund.

(3) The department may issue a restraining order prohibiting a dairy from selling or giving away milk or cream not produced or handled under the laws of this state or the rules of the department. It is unlawful for a dairy, while restrained, to sell or give away for public consumption milk or cream produced or handled by the dairy, and it is also unlawful for a dairy products manufacturing plant, milk plant, or cream station to purchase or use the cream or milk from a dairy while the dairy is restrained.

(4) The department shall establish license fees for the following facilities:

(a) condensed, evaporated, or powdered milk factory;

(b) fluid milk plant; and

(c) dairy.

(5) A person violating this section is guilty of a misdemeanor.

**History: En. Sec. 23, Ch. 262, L. 1921; re-en. Sec. 3282, R.C.M. 1921; amd. Sec. 11, Ch. 35, L. 1923; amd. Sec. 1, Ch. 170, L. 1929; re-en. Sec. 3282, R.C.M. 1935; amd. Sec. 1, Ch. 382,**

**L. 1973; amd. Sec. 76, Ch. 310, L. 1974; amd. Sec. 19, Ch. 12, L. 1977; R.C.M. 1947, 46-232(part); amd. Sec. 24, Ch. 444, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act — contested cases, Title 2, ch. 4, part 6.

State Treasury General Fund, 17-2-102.

Penalty for misdemeanor, 46-18-212.

Licenses to producers, producer-distributors, distributors, and jobbers, 81-23-201.

**81-21-103. Exceptions of certain producers of dairy products.** The owners or operators of dairies, creameries, butter factories, cheese factories, or other places of business engaged in the production, storage, or transportation of dairy products are not required to procure a license from the department of health and environmental sciences, insofar as the business of production, storage, or transportation of these food products is concerned. This section does not limit the supervision or regulation of the sanitary condition of a restaurant, hotel, boardinghouse, or retail market or the products sold or offered for sale thereat by the department of health and environmental sciences, nor does this section limit the duties imposed by law on the department of health and environmental sciences to make sanitary rules for the eradication or control of an epidemic of human disease which may exist in a community.

**History: En. Sec. 24, Ch. 262, L. 1921; re-en. Sec. 3283, R.C.M. 1921; re-en. Sec. 3283, R.C.M. 1935; amd. Sec. 77, Ch. 310, L. 1974; amd. Sec. 20, Ch. 12, L. 1977; R.C.M. 1947, 46-233(part).**

**Cross-References**

Quarantine measures, 50-1-204.

Department of Health and Environmental Sciences authorized to adopt food standards, 50-31-201.

**81-21-104. Injunctive remedies.** The department may apply for and the court may grant a temporary or permanent injunction restraining any person from violating the provisions of this chapter or rules adopted under 81-2-102, notwithstanding the existence of other remedies at law. When the application of other remedies has been insufficient to compel action to control, extirpate, or prevent the spread of disease or upon a showing that an animal disease emergency exists and that other remedies probably would be insufficient to compel action to control the emergency, the department may apply for and the court may grant mandatory injunctive relief.

**History: En. 46-210.1 by Sec. 1, Ch. 190, L. 1977; R.C.M. 1947, 46-210.1.**

**Cross-References**

Provisions providing for injunctions, Title 27, ch. 19.

**81-21-105. Penalty.** Any person, persons, firm, or corporation violating any provision of this chapter, or the rule or order promulgated by authority of 81-2-102, shall be guilty of a misdemeanor. Violations of this chapter shall be tried without undue delay in any court of competent jurisdiction.

**History: En. Sec. 29, Ch. 262, L. 1921; re-en. Sec. 3288, R.C.M. 1921; re-en. Sec. 3288, R.C.M. 1935; amd. Sec. 23, Ch. 12, L. 1977; R.C.M. 1947, 46-238.**

**Cross-References**

Penalty for misdemeanor, 46-18-212.

**81-21-106. Civil liability.** A person, firm, or corporation which violates this part or rules or orders of the department is liable for damages sustained by a person because of the violation. The damages may be recovered by the person in a civil action in a court of competent jurisdiction.

**History: En. Sec. 30, Ch. 262, L. 1921; re-en. Sec. 3289, R.C.M. 1921; re-en. Sec. 3289, R.C.M. 1935; amd. Sec. 81, Ch. 310, L. 1974; amd. Sec. 24, Ch. 12, L. 1977; R.C.M. 1947, 46-239.**

**Cross-References**

District Court jurisdiction, Art. VII, sec. 4, Mont. Const.

District Court jurisdiction, Title 3, ch. 5, part 3.

Montana Rules of Civil Procedure, Title 25, ch. 20.

Damages, Title 27, ch. 1, part 2.

# CHAPTER 22

# MANUFACTURED DAIRY PRODUCTS

### Part 1 — Administration

81-22-101. Definitions.
81-22-102. General authority of department.
81-22-103. New or amended rules — mailing — hearing — judicial review.
81-22-104. Enforcement of laws and rules — violation as misdemeanor.
81-22-105. Investigation of complaints and violations — injunction.
81-22-106. Names and addresses of producers furnished on request.
81-22-107. Use of inspections, tests, samples, etc., as evidence.
81-22-108. Antimonopoly statutes applicable.

### Part 2 — Licensing Provisions

81-22-201. License required to operate manufactured dairy products plant.
81-22-202. Licensing of persons engaged in production of milk.
81-22-203. Renewal, suspension, or revocation of license — grounds — hearing — appeal to district court.
81-22-204. License required for milk or cream route.
81-22-205. Examination and licensing of persons engaged in testing.
81-22-206. Licensing of graders, weighers, and samplers.
81-22-207. License — issuance and penalty.
81-22-208. Licenses and schedule of license fees.
81-22-209. License requirements applicable.

### Part 3 — Inspection

81-22-301. Tests and analyses — admissibility as evidence.
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81-22-303. Sampling and testing by department.
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81-22-406. Products to be kept at safe temperature.
81-22-407. Sanitary regulation of imported products.
81-22-408. Manufacturer's and wholesaler's or retailer's names to appear on package — use of codes and numbers permitted.
81-22-409. Adulterating milk or cream unlawful.
81-22-410. Manufacture, sale, or importation of products containing extraneous fats.

81-22-411. Filled dairy products unlawful — exceptions.
81-22-412. Manufactured products to conform to standards of identity.
81-22-413. Pasteurization required.
81-22-414. Pasteurization apparatus and records.
81-22-415. Pasteurization labeling.
81-22-416. Milk and manufactured dairy products to conform to standards.
81-22-417. Making or selling products in violation of chapter prohibited — penalty.
81-22-418. Posting prices of butterfat required.
81-22-419. Requirements for containers and equipment.
81-22-420. Labeling of animal or vegetable fat contents on frozen desserts.
81-22-421. Labeling on manufactured dairy products to conform to requirements.

### Part 5 — Records and Reports

81-22-501. Required records and reports — examination.
81-22-502. Monthly report of plant operator — penalty.
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81-22-601. Penalties for violations.
81-22-602. Deceit in grade, measure, or test of milk and cream unlawful.

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**Chapter Cross-References**

Special levies on commodities for commodity inspection, Art. XII, sec. 1, Mont. Const.

Butter, oleomargarine, and margarine, 30-12-403.

Fluid dairy products, 30-12-404.

Licensing dairies — discrimination prohibited, 49-3-204.

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31, parts 1 and 2.

## Part 1

## Administration

**81-22-101. Definitions.** For the purpose of this chapter, the following definitions are adopted:

(1) "Agent" means a person who is authorized by another person to act for him in dealing with a third person.

(2) "Butter" is the clean, nonrancid product made by gathering the fat of fresh ripened milk or cream into a mass which also contains a small portion of the other milk constituents, with or without salt, and must contain not less than 80% of milk fat. No tolerance for deficiency in milk fat is permitted. Butter may also contain added coloring matter.

(3) "Cheese" is the sound, solid, and ripened product made from milk or cream by coagulating the casein with rennet or lactic acid, with or without ripening ferments and seasoning, and must contain in the water-free substance not less than 50% of milk fat and not more than 39% of moisture. Cheese may also contain added coloring matter.

(4) "Cheese factory" means a place where cheese, including cream cheese, cottage cheese, creamed cottage cheese, cheese curd, cottage cheese dressing, and low-fat counterparts of cheese, either cultured or directly acidified, is made for commercial purposes.

(5) "C.I.P." means the procedure by which sanitary pipelines or pieces of dairy equipment are mechanically cleaned in place by circulation when this

procedure meets the 3-A accepted practices for permanently installed sanitary product-pipelines and cleaning systems.

(6) "Code of Federal Regulations" refers especially but is not limited to Title 21 which contains the definitions and standards of identity for products as established by the food and drug administration, United States department of health, education, and welfare.

(7) "Cream" means the milk fat which rises to the surface when milk is allowed to stand or which is separated from milk by centrifugal force when sold, used, or intended for use in a manufactured product.

(8) "Creamery" means a place where butter is made for commercial purposes.

(9) "Culture" means the harmless lactic acid fermenting bacteria which are added to milk or cream to make manufactured dairy products like cultured buttermilk, cheese, cottage cheese, yogurt, sour cream, cream cheese, butter, and other similar products.

(10) "Dairy" or "dairy farm" means a place where one or more cows or goats are kept, a part or all of the milk or cream from which is used for manufacturing purposes.

(11) The term "department", unless otherwise indicated, means the department of livestock provided for in Title 2, chapter 15, part 31.

(12) "Direct acidification", "directly acidified", and similar terms mean the process of adding a food grade acid to milk or cream instead of or in addition to the adding of culture.

(13) "Filled dairy products" means milk, cream, skimmed milk, or any combination of these, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, or any food product made or manufactured from them, to which has been added or which has been blended or compounded with fat or oil other than milk fat so that the resulting product is in imitation or semblance of a dairy product, including milk, cream, sour cream, skimmed milk, ice cream, low-fat ice cream, whipped cream, flavored milk or skim milk yogurt, dried or powdered milk, cheese, cream, cream cheese, cottage cheese, creamed cottage cheese, ice cream mix, low-fat ice cream mix, sherbet, condensed milk, evaporated milk, or concentrated milk.

(14) "French ice cream", "French custard ice cream", "cooked ice cream", "ice custard", "parfaits", and similar frozen products, except sherbets and water ices, are varieties of ice cream.

(15) "Frozen dessert plant" means a place where products named in subsections (27)(a)(iii) through (27)(a)(ix) of this section are made for commercial purposes.

(16) "Fruit ice cream" shall conform to the requirements of ice cream, except that the fruit ingredients must be from sound, clean, and mature fruit, and it must contain not less than 9% of milk fat.

(17) "Grading" means the examination of milk, cream, or products by sight, odor, taste, or laboratory analysis, the results of which determine a grade designating their quality.

(18) "Ice" or "ice sherbet" is the pure, clean, frozen product made from water and sugar with harmless fruit or fruit juice flavoring, with or without harmless coloring or added stabilizer composed of wholesome edible material, and must contain not less than 35/100 of 1% of acid, as determined by titrating with standard alkali and expressed as lactic acid. It may contain no milk solids.

(19) "Ice cream" is a frozen product made with pure, sweet milk, cream, skim milk, evaporated or condensed milk, evaporated or condensed skim milk, dry milk, dry skim milk, pure milk fat, wholesome sweet butter, or any combination of these products, with or without sweetening, or clean wholesome eggs or egg products, with or without the use of harmless flavoring and coloring. Ice cream must contain not less than 10% of milk fat, not less than 33% total solids, and may or may not contain pure and harmless edible stabilizer. Ice cream may contain not to exceed 1% gelatin. No frozen milk or milk product may be manufactured or sold unless it contains at least 10% butterfat, excepting sherbets, ices, and other exceptions under this section. All ice cream must be manufactured from pasteurized ice cream mix.

(20) An "ice cream factory" is a place where ice cream mix is frozen into ice cream for commercial purposes.

(21) (a) "Ice cream mix" is a pasteurized, unfrozen product used in the manufacture of ice cream and must comply with the requirements for ice cream.

(b) "Mix" includes the liquid, unfrozen product from which those frozen products listed under subsection (27)(a)(iii) through (27)(a)(v) and (27)(a)(vii) through (27)(a)(xii) are made.

(22) An "ice cream mix factory" is a place where ice cream mix is made.

(23) "Intrastate commerce" means commerce within this state under the jurisdiction of the state and includes the operation of a business or service establishment.

(24) "Manufactured dairy product" means an item enumerated in subsection (27) or any other dairy product made by incorporating milk or cream or converting milk or cream into a different state of appearance or quality. For purposes of reporting production and licensing, "manufactured dairy product" includes but is not limited to:

(a) ice cream or its mix;

(b) French ice cream, custard ice cream, French custard ice cream, their low-fat counterparts, or their mixes;

(c) sherbets of all kinds or their mixes;

(d) animal or vegetable fat frozen desserts or their mixes;

(e) frozen confections or their mixes when made in a manufactured dairy products plant;

(f) water ices or their mixes;

(g) frozen dessert sandwiches, bars, cones, and similar novelties;

(h) frozen dessert made of nondairy origins and other products made in the semblance or imitation of dairy products or their mixes when made in a manufactured dairy products plant;

(i) ice milk or its mix;

(j) cheese of all kinds, including cottage cheese, cheese curd, cheese dressing, and cream cheese, either cultured or directly acidified;

(k) sour cream when cultured or directly acidified;

(l) eggnog, low-fat eggnog, eggnog-flavored milk, and similar flavored products;

(m) buttermilk, cultured or from churned butter or directly acidified;

(n) butter;

(o) yogurt, low-fat yogurt or flavored yogurt, either cultured or directly acidified or frozen.

(25) "Manufactured dairy products plant" or "factory" means a place where milk or cream is collected and converted into a product or into a different state of appearance or quality or which manufactures those products listed in subsection (27). If only products of semblance or imitation of dairy products are made, the plant is not considered as a manufactured dairy products plant.

(26) "Milk" means the lacteal secretion, practically free from colostrum, obtained by the milking of one or more healthy cows located in modified accredited areas and modified certified areas or from cows in herds fully accredited as tuberculosis free by the United States department of agriculture or in the process of being accredited when the milk or cream is sold for use in, intended for use in, or used in a manufactured dairy product.

(27) (a) "Milk" and "cream" mean milk and cream sold, used, or intended for manufacturing purposes or for conversion into products of a form other than the form in which originally produced or products commonly known as but not limited to:

(i) butter;

(ii) cheese, including cottage cheese, low-fat cottage cheese, cheese curd, and cream cheese which are either cultured or directly acidified, and cheese dressings;

(iii) ice cream or its mix;

(iv) frozen dessert or its mix;

(v) sherbets of all kinds or their mixes;

(vi) frozen ice cream bars, sandwiches, cones, and similar novelties;

(vii) frozen desserts or products made in the semblance or imitation of frozen dessert;

(viii) frozen confections or their mixes;

(ix) water ices or their mixes;

(x) ice milk or its mix;

(xi) French ice cream, French custard, or their mixes;

(xii) frozen custard or its mix and frozen yogurt;

(xiii) yogurt, flavored yogurt, and low-fat yogurt;

(xiv) sour cream, either cultured or directly acidified;

(xv) cream cheese, either cultured or directly acidified;

(xvi) buttermilk, either cultured, from churned butter, or directly acidified;

(xvii) eggnog, low-fat eggnog, eggnog-flavored milk, whipped cream, flavored toppings, and similar flavored products;

(xviii) dry or powdered milk; and

(xix) condensed milk products.

(b) The items specified in subsection (27)(a) of this section shall conform to the standards of identity set forth in the Code of Federal Regulations. If standards of identity are not set forth in the code, then the standards adopted by the department prevail. The labeling of manufactured dairy products shall be in accordance with the Montana Food, Drug, and Cosmetic Act.

(28) "Milk or cream station" means a place other than a creamery where deliveries of milk or cream are weighed, graded, sampled, tested, or collected for purchase.

(29) "Milk sherbet" is the pure, clean, frozen product made from milk product, water, and sugar, with harmless fruit or fruit juice flavoring and with or without harmless coloring, which must contain not less than 35/100 of 1% of acid, as determined by titrating with standard alkali and expressed as lactic

acid, and with or without added stabilizer composed of wholesome edible material. It must contain not less than 4% by weight of solids.

(30) "Mislabeled", "unwholesome", "food additives", "optional ingredients", "impure", "misbranded", "contaminated", "adulterated", "perishable", "hazardous", "unfit", "spoiled", "damaged", and similar terms, when applied to a manufactured dairy product or product made in semblance or in imitation of a manufactured dairy product, are as defined in Title 50, chapter 31.

(31) "Official test" means test procedures outlined in the sources referred to under 81-22-301 concerning samples, methods, and rules of evidence.

(32) "Pasteurization", "pasteurizing", and similar terms mean the process of heating every particle of milk or milk product to at least 145 degrees F and holding it continuously at or above this temperature for at least 30 minutes or to at least 161 degrees F and holding it continuously at or above this temperature for at least 15 seconds in equipment which is properly operated and approved by the department. Milk products that have a higher fat content than milk or contain added sweeteners shall be heated to at least 155 degrees F and held continuously at or above this temperature for at least 30 minutes, or to at least 175 degrees F and held continuously at or above this temperature for at least 25 seconds. This definition does not bar any other pasteurization process which has been recognized by the United States public health service to be equally effective and which is approved by the department.

(33) "Person" means an individual, firm, partnership, corporation, cooperative, or other business unit or trade device.

(34) "Producer" means the person who exercises control over the production of milk or cream delivered to a milk or cream receiving station or manufactured dairy products plant or who receives payment for milk or cream used in manufacturing.

(35) "Raw milk" or "raw milk products" means milk or milk products which have not been treated by a process of pasteurization.

(36) "Renovated butter" or "processed butter" is the product made by melting and reworking, without the addition or use of chemicals or substances except whole milk, cream, or salt, and must contain not less than 80% of milk fat.

(37) "Safe temperature" means 45 degrees F or less, unless the product is frozen, in which case the temperature must be at or below 0 degrees F.

(38) "Skimmed milk cheese" is the sound, solid, and ripened product made from skim milk by coagulating the casein with rennet or lactic acid, with or without ripening ferments and seasoning.

(39) "Testing", "test", "tested", and similar words mean the examination of milk, cream, or manufactured dairy products by sight, odor, taste, or biological or chemical laboratory analysis to determine their quality, wholesomeness, or composition.

(40) "Water ice" means a frozen product containing but not limited to the following ingredients: water, sugar, flavoring, coloring, stabilizers, and other ingredients allowed by the Code of Federal Regulations as optional ingredients.

**History:** **Ap.p. Sec. 10, Ch. 413, L. 1971; amd. Sec. 17, Ch. 310, L. 1974; amd. Sec. 4, Ch. 12, L. 1977; Sec. 3-2497, R.C.M. 1947; Ap.p. Sec. 4, Ch. 93, L. 1929; amd. Sec. 1, Ch. 39, L. 1931; re-en. Sec. 2620.4, R.C.M. 1935; amd. Sec. 1, Ch. 68, L. 1937; amd. Sec. 8, Ch. 310, L. 1974; amd. Sec. 1, Ch. 12, L. 1977; Sec. 3-2404, R.C.M. 1947; R.C.M. 1947, 3-2404(1) thru (17), 3-2497; amd. Sec. 12, Ch. 14, L. 1979.**

**81-22-102. General authority of department.** (1) The department may regulate and establish sanitation standards for persons operating dairies producing milk for manufacturing purposes. The department may regulate and establish sanitation and quality standards for a person engaged in the processing of manufactured dairy products or of products made or sold in the semblance or imitation of dairy products in this state when those products made in semblance or imitation of dairy products are made in a manufactured dairy products plant.

(2) The department may adopt minimum standards for the production, transportation, grading, testing, use, processing, packaging, and storage of milk and cream used for manufacturing purposes and of manufactured dairy products.

(3) The department shall adopt rules and establish fees for licenses for selling or producing milk as required by 81-23-202.

**History: (1)En. Sec. 1, Ch. 413, L. 1971; amd. Sec. 9, Ch. 310, L. 1974; Sec. 3-2488, R.C.M. 1947; (2)En. 2, Ch. 413, L. 1971; amd. Sec. 10, Ch. 310, L. 1974; amd. Sec. 2, Ch. 12, L. 1977; Sec. 3-2489, R.C.M. 1947; R.C.M. 1947, 3-2488, 3-2489; amd. Sec. 25, Ch. 444, L. 1983.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-22-103. New or amended rules — mailing — hearing — judicial review.** (1) Every new or amended rule proposed by the department under this chapter shall be mailed to each person licensed under this chapter who will be affected by the rule, at least 45 days before the date on which the rule becomes effective.

(2) On application in writing filed at least 15 days before the effective date of the proposal by a person licensed under this chapter, the department shall vacate the effective date of the proposed rule and hold a public hearing on and take evidence concerning it. Within 30 days after the conclusion of the hearing, the department shall make written findings and conclusions and a written decision based on the hearing, determining whether the rule shall be adopted. A new or amended rule adopted following the hearing and conclusion may not take effect until 90 days after the date of the decision.

(3) The district court of the first judicial district has jurisdiction to review, modify, or set aside a decision adopting a new or amended rule under this chapter on petition made to it at any time before the effective date of the rule by a person claiming to be adversely affected by the decision.

**History: En. Sec. 8, Ch. 413, L. 1971; amd. Sec. 15, Ch. 310, L. 1974; R.C.M. 1947, 3-2495.**

**Cross-References**

Montana Administrative Procedure Act — adoption of rules, Title 2, ch. 4, part 3.

**81-22-104. Enforcement of laws and rules — violation as misdemeanor.** (1) The department shall supervise and enforce the laws and rules which pertain to the standards of quality and sanitation of manufactured dairy products and of cream, whole milk, skimmed milk, condensed milk, evaporated milk, and food additives used in manufacturing dairy products.

(2) Rules adopted under this chapter have the effect of law, and violation of these rules is a misdemeanor, punishable as provided in 81-22-601 unless a specific penalty has been provided.

**History: En. Sec. 6, Ch. 413, L. 1971; amd. Sec. 14, Ch. 310, L. 1974; R.C.M. 1947, 3-2493.**

**81-22-105. Investigation of complaints and violations — injunction.** The department shall provide for periodic inspections and investigations to disclose violations of this chapter or of rules adopted under this chapter. The department shall receive and provide for the investigation of complaints and request the institution and prosecution of civil or criminal actions, or both. This chapter and the rules adopted under it may be enforced by injunction in a court having jurisdiction to grant injunctive relief. An adulterated, impure, contaminated, misbranded, condemned, or mislabeled article or product involved in a violation of this chapter or of the rules adopted under this part is subject to seizure and disposition under an order of the court.

**History:** En. Sec. 9, Ch. 413, L. 1971; amd. Sec. 16, Ch. 310, L. 1974; amd. Sec. 3, Ch. 12, L. 1977; R.C.M. 1947, 3-2496.

**Cross-References**

Injunctions, Title 27, ch. 19.

Penalties for violation, 81-22-601.

**81-22-106. Names and addresses of producers furnished on request.** The operator of any manufactured dairy products plant or grade A milk plant shall, on request of the department, furnish the department with the names and addresses of all producers from whom the plant obtains milk or cream.

**History:** En. Sec. 21, Ch. 413, L. 1971; amd. Sec. 26, Ch. 310, L. 1974; R.C.M. 1947, 3-24-108.

**81-22-107. Use of inspections, tests, samples, etc., as evidence.** All copies of inspections, written transcriptions, tests, samples of dairy products, analyses, correspondence, records of payment, trip and field reports, and photographic presentations relating to matters under this chapter may be used as evidence in any court of jurisdiction, at hearings, or as testimony of the facts disclosed.

**History:** En. Sec. 22, Ch. 413, L. 1971; R.C.M. 1947, 3-24-109.

**81-22-108. Antimonopoly statutes applicable.** The provisions of Title 30, chapter 14, part 2, relating to monopoly in the purchase or sale of products in general use are hereby expressly made applicable to all persons engaged in the business of buying milk, cream, or butterfat for the purpose of manufacture and those who shall violate any of the provisions of said sections. All milk, cream, butterfat, manufactured dairy products, or products made in the semblance or imitation of manufactured dairy products are hereby declared to be commodities and products in general use within the meaning of the sections aforesaid.

**History:** En. Sec. 43, Ch. 413, L. 1971; R.C.M. 1947, 3-24-130.

## Part 2

## Licensing Provisions

**81-22-201. License required to operate manufactured dairy products plant.** (1) It shall be unlawful for any person to operate a manufactured dairy products plant, concentrated, condensed, or evaporated milk and/or cream plant, milk and cream buying station, creamery, dairy producing milk for manufacturing purposes, water ice manufacturing plant, cheese plant including cottage cheese, and cream cheese, sour cream, yogurt, or frozen dessert manufacturing plant without first obtaining a license from the department.

(2) Any manufactured dairy products plant or dairy which undergoes a change of ownership shall be considered a new plant or dairy for relicensing purposes, provided that changes of ownership shall not be construed to include changes of stockholders.

**History:** En. Sec. 20, Ch. 413, L. 1971; R.C.M. 1947, 3-24-107.

**81-22-202. Licensing of persons engaged in production of milk.** (1) The department may license persons engaged in the production of milk for manufacturing purposes and license persons who manufacture dairy products or products made in their semblance or imitation when the products are made in a manufactured dairy products plant.

(2) The department may examine and license weighers, graders, samplers, and milk and cream testers in order to establish the qualifications of these persons to perform those operations or tests for which the licenses are issued.

**History:** En. Sec. 3, Ch. 413, L. 1971; amd. Sec. 11, Ch. 310, L. 1974; R.C.M. 1947, 3-2490.

**81-22-203. Renewal, suspension, or revocation of license — grounds — hearing — appeal to district court.** (1) The department may deny renewal of, suspend, or revoke a license issued under this part or its rules for cause or failure to comply with this chapter or with the rules, testing procedures, or methods adopted under this chapter or when the department has reason to believe that the licensee's products may be detrimental to or jeopardize the health and welfare of the public.

(2) Before revoking, denying renewal of, or suspending a license, the department shall give written notice of its intention to revoke, deny, or suspend the license and its reasons therefor. The department shall give the licensee a time limit of 10 days from receipt of the notice during which the licensee may request a hearing to show cause why his license should not be revoked, denied, or suspended. The notice shall be sent by certified mail, or personal service may be made on the licensee by a representative of the department. Failure of the licensee to request a hearing within the time allowed by the department is considered as his desire not to contest the department's reasons for suspending, denying, or revoking the license.

(3) If the licensee does request a hearing, the department shall appoint a time and place for an administrative hearing in the county where the licensee is licensed.

(4) The date established for the hearing must be not less than 10 days or more than 30 days after receipt of the licensee's request for the hearing. A request for a hearing shall serve as a bar to prosecution until a decision from the department becomes final. The licensee at the hearing may testify or present evidence having a bearing on the denial, suspension, or revocation of his license, and after hearing all the evidence, the department shall make a determination. If a license is suspended, denied, or revoked, it may not be reinstated until examination or inspection by the department shows that the cause for suspension, denial, or revocation has been eliminated or corrected.

(5) It is unlawful for a licensee to carry on the business or operations for which he was licensed, during the term of suspension or revocation, and if he does so, the licensee is subject to the penalties provided in the chapter.

(6) A licensee who is aggrieved by the decision of the department in matters pertaining to suspension, denial, or revocation of a license may appeal, within 30 days after the date of determination by the department, to the district court of the county in which he was licensed, if in the state, or in the case of a business firm of any nature in the state, of the county of its principal place of business.

(7) If a license is revoked a new license must be obtained from the department, but a new license may be issued only when the cause for revocation has been corrected.

**History: En. Sec. 19, Ch. 413, L. 1971; amd. Sec. 25, Ch. 310, L. 1974; R.C.M. 1947, 3-24-106.**

**Cross-References**

Contested cases, Title 2, ch. 4, part 6.

**81-22-204. License required for milk or cream route.** It is unlawful for a person to engage in hauling milk or cream on an established milk or cream route for a manufactured dairy products plant, milk plant, or milk or cream station without first procuring a license from the department. The department shall establish a fee for the license.

**History: En. Sec. 13, Ch. 413, L. 1971; amd. Sec. 20, Ch. 310, L. 1974; R.C.M. 1947, 3-24-100; amd. Sec. 13, Ch. 14, L. 1979; amd. Sec. 26, Ch. 444, L. 1983.**

**81-22-205. Examination and licensing of persons engaged in testing.** (1) A person may not operate a butterfat, protein, solids, or other component content test where milk or cream is bought and paid for on the basis of these values without first passing an appropriate examination and obtaining the license required by the department. A person desiring to operate these tests shall apply to the department for permission to take the butterfat, protein, solids, or other component content test operator's examination. The examination shall be given to the applicant by the department. On passing the examination to the satisfaction of the department, the applicant shall be issued a license authorizing him to conduct these tests in this state. The department shall establish a fee to be paid for each license and for each renewal.

(2) Milk and cream tester's licenses may be revoked, suspended, or denied where testing is not conducted under official test procedures or under department rules. If the tester regularly or habitually reports results below the actual values of the butterfat, protein, solids, or other compound component values, the licensee is subject to the penalties provided in this chapter. A person who alters the results of an official test is subject to the penalties provided in this chapter.

**History: En. Sec. 15, Ch. 413, L. 1971; amd. Sec. 22, Ch. 310, L. 1974; R.C.M. 1947, 3-24-102; amd. Sec. 27, Ch. 444, L. 1983.**

**81-22-206. Licensing of graders, weighers, and samplers.** It is unlawful for a person to grade, weigh, or sample milk or cream to be used for processing into grade A milk and cream or used in manufactured dairy products without first procuring a license as a grader, weigher, and sampler from the department and passing the examination required by the department.

**History: En. Sec. 18, Ch. 413, L. 1971; amd. Sec. 24, Ch. 310, L. 1974; R.C.M. 1947, 3-24-105(2).**

**81-22-207. License — issuance and penalty.** (1) All licenses issued under this part are issued as a matter of privilege, rather than as a matter of right, and only after proper qualifications under the rules of the board.

(2) All licenses issued under this part are valid, unless sooner suspended or revoked for cause, from the date of issue through December 31 of the year in which issued. All licenses shall be renewed by the first January 31 following the date of license expiration on payment of the required fee.

(3) All licenses issued under this part shall be posted in conspicuous view at the place of business.

(4) Licenses issued under this part are not transferable from place to place or person to person.

(5) Penalties of $5 per month or fraction of a month from January 31 of each year may be imposed by the department for a failure to apply for a license under this part. Regulatory action may not be taken against a dairyman licensed under this part until 2 years following the adoption of rules under this chapter.

**History: En. Sec. 14, Ch. 413, L. 1971; amd. Sec. 21, Ch. 310, L. 1974; R.C.M. 1947, 3-24-101.**

**81-22-208. Licenses and schedule of license fees.** (1) Licenses and license fees required under this part must be established by the department for the following facilities and activities:

(a) manufactured dairy products plant; however, a plant license is not required of a food service establishment licensed by the Montana department of health and environmental sciences, as defined in 50-50-102, and no license is required to manufacture nondairy products when only such products are manufactured;

(b) cream station; however, a license is not required if the cream station is owned and operated by a licensed plant; but the milk and cream, equipment, premises, and means of transporting milk or cream is subject to official inspection;

(c) dairy producing milk for manufacturing purposes; however, a dairy license is not required if the dairy farm is licensed by the department to produce and sell milk or cream in the form in which it is originally produced as required by 81-21-102; and

(d) grader-weigher-sampler, tester, and hauler; however, a separate grader-weigher-sampler, tester, and hauler license is required whether a person performing these activities owns and operates the plant, is employed by the plant, or is self-employed.

(2) A license is valid on the date issued through December 31 of that year unless suspended or revoked by the department. A license must be renewed by the first January 31 following the expiration date of December 31. A license renewal application form may be supplied by the department. When the license renewal application form is returned to the department, it shall be accompanied by the correct license fee. A license shall be posted in conspicuous view at the place of business. A license is not transferable from place to place or from person to person. A penalty fee in an amount established by a rule of the department may be imposed by it on a person who fails to apply for renewal of his license if under this part that person is required to be licensed.

(3) All license fees collected shall be deposited in the general fund.

**History: En. Sec. 1, Ch. 451, L. 1973; R.C.M. 1947, 3-24-112.1; amd. Sec. 28, Ch. 444, L. 1983.**

**81-22-209. License requirements applicable.** The licenses required under this part apply only to those licenses issued by the department. This part does not repeal or abrogate the authority of or the issuance of licenses by the department of health and environmental sciences.

**History: En. Sec. 42, Ch. 413, L. 1971; amd. Sec. 36, Ch. 310, L. 1974; R.C.M. 1947, 3-24-129.**

**Cross-References**

Department of Health and Environmental Sciences — licensing of food manufacturing establishments, Title 50, ch. 50, part 2.

## Part 3

## Inspection

**81-22-301. Tests and analyses — admissibility as evidence.** (1) The department may require a chemist, biologist, microbiologist, serologist, or other qualified employee of the department of health and environmental sciences or other laboratory approved by the department to test or analyze samples of milk, cream, manufactured dairy products, or products made in the semblance or imitation of these products.

(2) Any appropriate test method listed in Standard Methods for the Examination of Dairy Products, current edition—American Public Health Association, Inc., or Standard Methods for the Examination of Water and Waste Water, current edition—American Public Health Association, Inc., or the methods in the Official Methods of Analysis of the Association of Official Analytical Chemists, current edition as published by the Association of Official Analytical Chemists, or any other appropriate tests approved by the department may be used, and the results of these tests or analyses are admissible as prima facie evidence of the facts disclosed, in a court, hearing, or proceeding arising under this chapter, when identified by the sample numbers and verified by the department representative and analyst handling them. These tests shall be designated and referred to as "official tests".

**History: En. Sec. 11, Ch. 413, L. 1971; amd. Sec. 18, Ch. 310, L. 1974; amd. Sec. 5, Ch. 12, L. 1977; R.C.M. 1947, 3-2498.**

**Cross-References**

Basis of opinion testimony by experts, Rule 703, Montana Rules of Evidence (see Title 26, ch. 10).

Disclosure of facts or data underlying expert opinion, Rule 705, Montana Rules of Evidence (see Title 26, ch. 10).

**81-22-302. Taking and preservation of samples.** (1) A person purchasing or sampling milk or cream for manufacture, sale, or shipment and paying for the milk or cream on the basis of the butterfat, protein, solids, or other compound components contained in the milk or cream as determined by official test, when receiving the milk or cream, shall take a sample of the milk or cream.

(2) All samples taken shall be plainly marked or labeled on the records of the purchaser or sampler to correspond with the name of the person from

whom the purchase was made or sample obtained. The record of purchase shall also show the weight of the milk or cream, the results of the analysis, the date of sampling, and the amount paid. All milk and cream samples on which payment for butterfat, protein, solids, or other components is based shall be kept and suitably preserved by the purchaser for a minimum of 14 days following testing in the case of milk and for at least 2 days in the case of cream. These samples are subject to retest by the department.

(3) This section does not prohibit the weighing or measuring of milk in and sampling of milk from farm bulk milk tanks or the use of composite or single samples of milk according to rules adopted by the department or the test procedures prescribed in this chapter.

**History: En. Sec. 12, Ch. 413, L. 1971; amd. Sec. 19, Ch. 310, L. 1974; R.C.M. 1947, 3-2499.**

**81-22-303. Sampling and testing by department.** The department shall have the authority to sample, test, and/or retest samples of milk or cream or their products at any dairy, at the premises of any supplier of milk or cream for manufacturing purposes, or at any manufactured dairy products plant, milk plant, or cream buying or receiving station.

**History: En. Sec. 16, Ch. 413, L. 1971; R.C.M. 1947, 3-24-103.**

**Cross-References**

Testing of milk, 81-23-105.

**81-22-304. Department's right of entry into dairy or plants for inspection — penalty.** (1) The department or its authorized agent has the right of entry during normal business hours, including Sundays and holidays, into a dairy supplying milk or cream for manufacturing purposes, manufactured dairy products plant, milk plant, cream receiving station, transportation facility, or any premises where dairy products, dairy manufactured products, or their substitutes or imitations are produced, manufactured, sold, offered for sale, or stored while in transit to inspect the dairy or plant, its facilities and products, or to obtain samples for testing or analysis. It is unlawful for a person to interfere with the department or its authorized agent in the performance of its duty to enter, inspect, or obtain samples.

(2) Violation of this section is a misdemeanor and subjects the offender to a fine of not less than $50 and not more than $500 or to imprisonment in the county jail for not less than 1 or more than 30 days or both such fine and imprisonment.

**History: En. Sec. 27, Ch. 413, L. 1971; amd. Sec. 30, Ch. 310, L. 1974; R.C.M. 1947, 3-24-114.**

**Cross-References**

Search and seizure, Art. II, sec. 11, Mont. Const.; Title 46, ch. 5.

**81-22-305. Cooperative agreements with other agencies.** (1) The department may enter into cooperative working agreements with state, county, city, and town departments and their political or departmental subdivisions to facilitate the performance of its functions or duties.

(2) This section permits the department to establish cooperative working agreements with health departments, sanitarians, or health officers when special investigations, sampling, or analyses are considered advisable.

**History: En. Sec. 28, Ch. 413, L. 1971; amd. Sec. 31, Ch. 310, L. 1974; R.C.M. 1947, 3-24-115.**

## Part 4

## Sanitation, Quality, and Labeling Requirements

**81-22-401. Grading of milk — condemnation of unsafe milk.** Milk or cream purchased for use in milk plants or for use in a manufactured dairy product in this state shall be graded by licensed graders, weighers, and samplers. It is unlawful to sell, purchase, or use milk or cream for a food purpose if the milk or cream is found to be musty, adulterated, rancid, dirty, with marked undesirable odors or flavors, or to contain foreign objects, fragments, substances, or excessive bacteria. The milk or cream grader or the department shall condemn the milk or cream and may add to the milk or cream a nontoxic coloring substance or rennet and return it to or leave it with the producer with an explanation of the cause for rejection.

**History:** En. Sec. 17, Ch. 413, L. 1971; amd. Sec. 23, Ch. 310, L. 1974; R.C.M. 1947, 3-24-104.

**81-22-402. Employment of grader, weigher, and sampler — revocation of operator's license.** (1) Persons receiving or purchasing milk or cream and persons collecting milk or cream on milk or cream routes shall provide a licensed grader, weigher, and sampler at each receiving station or for each route.

(2) A person who knowingly employs an unlicensed person as a grader, weigher, and sampler or one whose license has been revoked or suspended is subject to revocation of his own license to operate a manufactured dairy products plant or cream or milk receiving station or to the penalties prescribed in this chapter.

**History:** En. Sec. 18, Ch. 413, L. 1971; amd. Sec. 24, Ch. 310, L. 1974; R.C.M. 1947, 3-24-105(1), (3).

**Cross-References**

Penalties for violation, Title 81, ch. 22, part 6.

**81-22-403. Plans for construction, remodeling, or relocation of manufacturing plant.** (1) Before the construction, extensive remodeling, or relocation of a dairy products manufacturing plant, detailed plans shall be submitted to the department for review and approval before construction, remodeling, or relocation begins. The plans must show:

(a) size of rooms;

(b) type of building material;

(c) lighting and electrical system;

(d) ventilation;

(e) location of water supply;

(f) sewage disposal;

(g) materials to be used in floors, walls, and ceilings;

(h) location and type of floor drains;

(i) plumbing, plumbing fixtures, equipment; and

(j) the makes, models, and serial numbers of new or used equipment or machinery being added to or replacing existing equipment or machinery.

(2) Replacement equipment shall be of the NSF or 3A standard approved types, unless otherwise approved by the department. Construction and materials must conform to rules of the department and of building, electrical, and plumbing codes in effect in the area.

(3) Wastewater, sewage, and air pollutants shall be disposed by means approved by the department of health and environmental sciences, and evidence shall be submitted that approval has been obtained from the department of health and environmental sciences.

**History: En. Sec. 23, Ch. 413, L. 1971; amd. Sec. 27, Ch. 310, L. 1974; R.C.M. 1947, 3-24-110.**

**81-22-404. Removal or destruction of products in case of potential health hazards.** (1) When epidemiological evidence indicates or the likelihood exists that a dairy or manufactured dairy products plant is producing, manufacturing, storing, handling, or offering for sale milk or a manufactured dairy product which is adulterated or which may be detrimental to the health or safety of the consumer, the department may request the department of health and environmental sciences to remove the product from the market or to hold, dispose of, destroy, or treat the product so that it no longer constitutes a potential health hazard.

(2) It is unlawful for a person to violate an order which requires the product's removal from the market or its retention, disposal, destruction, or treatment. Violation is punishable as a misdemeanor, and each violation is subject to a fine of not less than $25 or more than $250 or to imprisonment in the county jail for not more than 30 days or both fine and imprisonment.

**History: En. Sec. 26, Ch. 413, L. 1971; amd. Sec. 29, Ch. 310, L. 1974; R.C.M. 1947, 3-24-113.**

**81-22-405. Labeling of cheese containers.** It shall be unlawful and punishable as a misdemeanor for any person to offer for sale, expose for sale, or sell any cheese in any container or wrapper unless such container or wrapper bears a legible label or inscription indicating the net weight, type or style of cheese, and the manufacturer's or distributor's name and address or plant number.

**History: En. Sec. 30, Ch. 413, L. 1971; R.C.M. 1947, 3-24-117(part).**

**Cross-References**

Penalty for violation, 81-22-601.

**81-22-406. Products to be kept at safe temperature.** All manufactured dairy products which are handled, displayed, transported, exposed for sale, offered for sale, or sold in Montana shall be considered perishable and potentially hazardous and shall be kept at safe temperature or below; provided, however, that:

(1) nothing in this requirement shall be construed as prohibiting higher temperatures which are necessary for curing, ripening, or aging of certain cheeses and cultured products; and

(2) this section does not apply to manufactured dairy products packaged in hermetically sealed containers or sterile manufactured dairy products which do not require refrigeration for their safekeeping.

**History: En. Sec. 30, Ch. 413, L. 1971; R.C.M. 1947, 3-24-117(part).**

**81-22-407. Sanitary regulation of imported products.** (1) All manufactured dairy products or imitations or products made in semblance thereof, covered by this chapter, shipped into Montana for sale, display, or use must be produced under the same or equivalent sanitary regulations and requirements as govern the production of such products in Montana.

(2) Unless the sanitary conditions of manufacture and standards of identity conform to the same or equivalent standards required by the laws or regulations of this state, such products shall not be sold, given away, displayed, transported into, or used in Montana.

**History:** **En. Sec. 31, Ch. 413, L. 1971; R.C.M. 1947, 3-24-118.**

**81-22-408. Manufacturer's and wholesaler's or retailer's names to appear on package — use of codes and numbers permitted.** (1) All manufactured dairy products sold, offered, displayed, or exposed for sale at wholesale or retail in this state, wherever manufactured, must be packaged in a protective wrapper or package and must have the manufacturer's and wholesaler's or retailer's names clearly printed in a conspicuous place on the package or wrapper in which it is sold.

(2) If a manufactured dairy product is packaged in a plant other than that of the plant whose name appears on the package or wrapper, the package or wrapper shall also show the name of the plant at which the product was packaged or wrapped.

(3) This section does not prevent the use of codes or numbers which designate the packaging or wrapping plant if these codes or numbers are registered with the department.

**History:** **En. Sec. 32, Ch. 413, L. 1971; amd. Sec. 33, Ch. 310, L. 1974; R.C.M. 1947, 3-24-119; amd. Sec. 14, Ch. 14, L. 1979.**

**81-22-409. Adulterating milk or cream unlawful.** (1) It shall be unlawful for any person to adulterate milk or cream produced or sold for manufacturing purposes or for any manufactured dairy product to contain an adulterant. For purposes of this chapter, the presence of any antimicrobial substance, pesticide residuals, unapproved coloring, food additives, or foreign substances added directly to or assimilated into such products which are not explicitly allowed in the Code of Federal Regulations, except for the addition of adulterants for rejection purposes, shall be deemed adulterated. Violations of this subsection shall be misdemeanors and shall be punishable by fine or imprisonment, or both, as provided in this chapter.

(2) It shall be unlawful for any person to sell, manufacture, exchange, display, or offer or expose for sale or exchange, as milk or cream, any impure, colored, adulterated, or unwholesome milk or cream or any substance in the semblance or imitation of milk or cream, nor shall any such impure, colored, adulterated, or unwholesome milk or cream be used in the manufacture of any article of food for human beings.

**History:** **(1)En. Sec. 37, Ch. 413, L. 1971; Sec. 3-24-124, R.C.M. 1947; (2)En. Sec. 33, Ch. 413, L. 1971; Sec. 3-24-120, R.C.M. 1947; R.C.M. 1947, 3-24-120, 3-24-124.**

**81-22-410. Manufacture, sale, or importation of products containing extraneous fats.** It shall be unlawful for any person to manufacture, mix, compound with, or add to milk, cream, or any manufactured dairy products or to transport into Montana any manufactured dairy product containing foreign animal fats or foreign animal or vegetable oils or products containing nonapproved ingredients with the intent to sell the same as milk, cream, or manufactured dairy products except as allowed under the law and/or regulations of Montana, nor shall any person possess, solicit orders for display, or sell any such article, substance, or compound as or for milk, cream, or manufactured dairy products.

**History:** **En. Sec. 34, Ch. 413, L. 1971; R.C.M. 1947, 3-24-121.**

**81-22-411. Filled dairy products unlawful — exceptions.** (1) Filled dairy products resemble genuine dairy products so closely that they lend themselves readily to substitution for and confusion with such dairy products and in many cases cannot be distinguished from genuine dairy products by the ordinary consumer or ordinary laboratory procedures. The manufacture, sale, exchange, purveying, transportation, possession, or offering for sale or exchange or purveyance of filled dairy products lends itself to substitution, confusion, deception, and fraud and if permitted, tends to interfere with the orderly and fair marketing of foods essential to the well-being of the people of this state. It is hereby declared to be the purpose of this chapter to:

(a) correct, prevent, and eliminate the condition above referred to;

(b) protect the public from confusion, fraud, and deception;

(c) prohibit practices inimical to the general welfare; and

(d) promote the orderly and fair marketing of essential foods.

(2) It is unlawful:

(a) for any person to manufacture, sell, exchange, display, purvey, transport, or possess any filled dairy product or to offer or expose for sale or exchange or to be purveyed any such product in intrastate commerce;

(b) for any person owning or operating a bakery, confectionery shop, factory, or other place where food products are prepared or manufactured for sale, exchange, or purveyance to the public in intrastate commerce to utilize any filled dairy product as an ingredient in any food product so manufactured or prepared;

(c) for any person knowingly to sell, exchange, purvey, transport, or possess any food product in intrastate commerce in which any filled dairy product is an ingredient.

(3) The term "filled dairy product" does not mean or include:

(a) oleomargarine;

(b) any distinctive proprietary food compound not readily mistaken for a dairy product where such compound is customarily used on the order of a physician and is prepared and designed for medicinal or special dietary use and prominently so labeled;

(c) any frozen dessert containing animal fat (other than butterfat) or vegetable fat when the container is properly labeled;

(d) any dairy product flavored with chocolate or cocoa where the fats or oils other than milk fat contained in such product do not exceed the amount of cacao fat naturally present in the chocolate or cocoa used; or

(e) any dairy product in which the vitamin content has been increased and food oil utilized as a carrier of such vitamins provided the quantity of such food oil does not exceed 1/100 of 1% of the weight of the finished dairy product.

**History:** **En. Sec. 35, Ch. 413, L. 1971; amd. Sec. 6, Ch. 12, L. 1977; R.C.M. 1947, 3-24-122.**

**81-22-412. Manufactured products to conform to standards of identity.** It shall be unlawful for any person to manufacture, display, transport, sell, or offer for sale in Montana as a manufactured dairy product any substance or product which does not conform to the standards of identity for such product as defined in the Code of Federal Regulations or to the standard of identity established by the department.

**History:** **En. Sec. 36, Ch. 413, L. 1971; R.C.M. 1947, 3-24-123.**

**81-22-413. Pasteurization required.** All milk and cream used in the manufacture of any dairy product or products made in semblance or imitation of dairy products sold, offered for sale, purveyed, stored, displayed, or transported in Montana must be pasteurized. However, cheese held, stored, or aged for at least 60 days at not less than 35 degrees F is not required to be made from pasteurized milk or cream but must be labeled "made from raw or unpasteurized milk or unpasteurized cream", as the case may be. Other cultured raw or unpasteurized dairy products that can be made safe by aging must be similarly aged and labeled as required above.

**History:** **En. Sec. 39, Ch. 413, L. 1971; R.C.M. 1947, 3-24-126; amd. Sec. 15, Ch. 14, L. 1979.**

**81-22-414. Pasteurization apparatus and records.** (1) The department may adopt rules which it considers necessary to assure proper control and use of all equipment used in the process of pasteurization. The department may require the operation of devices and apparatus which are needed to accurately record and indicate temperatures to which and the length of time for which the pasteurized product has been heated, including those periods and temperatures when the equipment is cleaned and sanitized by C.I.P. method. A person using pasteurizing equipment in this state shall properly record and have available to the department for the preceding 2 months all records pertaining to the pasteurization of any product. These records shall at all times be open to the inspection of the department of livestock, the department of health and environmental sciences, and all other state, county, and municipal officers charged with the enforcement of laws and ordinances respecting dairy products or the public health.

(2) Pasteurizing equipment which records temperatures or controls the time of holding shall be timed, set, and sealed by the department. The seals may not be removed or broken without first notifying the department.

**History:** **En. Sec. 40, Ch. 413, L. 1971; amd. Sec. 34, Ch. 310, L. 1974; amd. Sec. 7, Ch. 12, L. 1977; R.C.M. 1947, 3-24-127.**

**81-22-415. Pasteurization labeling.** It is unlawful for a person to sell, offer for sale, exchange, or to have in his possession for these purposes milk, cream, or a manufactured dairy product in a container or package marked, labeled, or in any way designating the contents of the container or package as "pasteurized", unless it has been treated by an approved process of pasteurization as required by the department.

**History:** **En. Sec. 41, Ch. 413, L. 1971; amd. Sec. 35, Ch. 310, L. 1974; R.C.M. 1947, 3-24-128.**

**81-22-416. Milk and manufactured dairy products to conform to standards.** All milk and cream used in manufactured dairy products, and the manufactured dairy products, shall conform to the standards of purity, quality, and wholesomeness as provided in this chapter or in the regulations promulgated under the authority of this chapter.

**History:** **En. Sec. 44, Ch. 413, L. 1971; R.C.M. 1947, 3-24-131.**

**81-22-417. Making or selling products in violation of chapter prohibited — penalty.** It is unlawful for a person, firm, or corporation or its servant or agent to manufacture, sell, or expose or offer for sale or exchange butter or other substance or commodity defined in this chapter containing less butterfat or other ingredient than required by this chapter. A violator is guilty of a misdemeanor and is punishable under 81-22-601.

**History:** En. Sec. 4, Ch. 93, L. 1929; amd. Sec. 1, Ch. 39, L. 1931; re-en. Sec. 2620.4, R.C.M. 1935; amd. Sec. 1, Ch. 68, L. 1937; amd. Sec. 8, Ch. 310, L. 1974; amd. Sec. 1, Ch. 12, L. 1977; R.C.M. 1947, 3-2404(18).

**81-22-418. Posting prices of butterfat required.** All persons who buy milk or cream for manufacturing purposes shall post the current prices for butterfat or other component content of milk or cream in a conspicuous place in the factory or place of business. Such price schedule may be based upon butterfat, protein, solids, or other components of milk or cream and shall indicate upon which of such basis payment is made.

**History:** En. Sec. 45, Ch. 413, L. 1971; R.C.M. 1947, 3-24-132.

**81-22-419. Requirements for containers and equipment.** All containers and equipment used in the manufacture, storage, holding display, and transportation of any manufactured dairy product shall be nontoxic, easily cleanable, and free from dents, cracks, crevices, rust, and any other condition which would prevent cleaning and sanitizing.

**History:** En. Sec. 47, Ch. 413, L. 1971; R.C.M. 1947, 3-24-134.

**81-22-420. Labeling of animal or vegetable fat contents on frozen desserts.** (1) Any frozen dessert made in the semblance of or in imitation of ice cream in this chapter, which contains any amount of animal fat (other than milk fat) or vegetable fat or oil (other than any such fat or oil which is naturally present in any flavoring ingredient), shall be labeled as an animal fat product or vegetable fat product, or a combination of both, as the case may be. Such animal fat or vegetable fat products shall be manufactured from a pasteurized mix which has been processed in a licensed manufacturing dairy product plant. All persons manufacturing, offering for sale or exchange, or selling such animal fat or vegetable fat frozen desserts shall be subject to the sanitary, reporting, and licensing regulations of this chapter and of the regulations promulgated under the authority of this chapter.

(2) No representation shall be made by statement, word, grade designation, design, symbol, device, or in any other manner on any container, package, or wrapper or on any advertising media that such animal fat or vegetable fat product, or combination thereof, is ice cream, sherbet, or any of their lowfat counterparts or derivatives or any other products which are prohibited from containing animal or vegetable fats.

(3) The container, package, or wrapper containing such animal fat or vegetable fat frozen dessert shall be clearly and plainly marked, labeled, or printed on the outside in boldfaced letters with the words, "animal fat product", "vegetable fat product", "animal-vegetable fat product", or "vegetable-animal fat product", as the case may be, and shall bear thereon the common or usual name of each of the ingredients therein, including the fats or oils, except that spices, flavorings, or colorings may be designated as such without naming each.

**History:** En. Sec. 48, Ch. 413, L. 1971; R.C.M. 1947, 3-24-135.

**81-22-421. Labeling on manufactured dairy products to conform to requirements.** Labeling on manufactured dairy products shall conform to requirements of the Food, Drug, and Cosmetic Act and to the other requirements which are adopted by the department of livestock or the department of health and environmental sciences.

**History:** En. Sec. 49, Ch. 413, L. 1971; amd. Sec. 37, Ch. 310, L. 1974; R.C.M. 1947, 3-24-136.

**Cross-References**

Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31.

## Part 5

## Records and Reports

**81-22-501. Required records and reports — examination.** The department may require dairies and dairy product manufacturers to maintain and produce for examination or to report the records necessary for carrying out its duties under this chapter.

**History:** En. Sec. 5, Ch. 413, L. 1971; amd. Sec. 13, Ch. 310, L. 1974; R.C.M. 1947, 3-2492.

**81-22-502. Monthly report of plant operator — penalty.** A person operating a manufactured dairy products plant in this state shall send to the department once a month, not later than the 10th day of the month, a full report of the amounts of butter, cheese, frozen dessert, ice cream, low-fat ice cream, sherbet, water ices, ice milk, freezer-made milk shakes, or other dairy products handled or manufactured during the preceding month, as requested by the department. Any person failing to render the report required by this section or failing to make the report by the date due is guilty of a misdemeanor and subject to the penalties provided in this chapter.

**History:** En. Sec. 24, Ch. 413, L. 1971; amd. Sec. 28, Ch. 310, L. 1974; R.C.M. 1947, 3-24-111.

**Cross-References**

Penalties for violation, Title 81, ch. 22, part 6.

**81-22-503. Buyers and plants to make records available to department.** (1) Persons, including cooperatives, who buy or sell milk or cream on the basis of butterfat, protein, solids, or other component content of milk or cream shall make available to the department, on its request, records showing the amounts of milk or cream sold or purchased, the price per pound, the amount paid, the sampling period for which the amount was paid, and the name and address of the person to whom payment was made or from whom payment was received.

(2) A manufactured dairy product plant, on request by the department, shall make available production records of dairy manufactured products covered by this chapter and manufactured products made in semblance or imitation of these dairy products.

**History:** En. Sec. 29, Ch. 413, L. 1971; amd. Sec. 32, Ch. 310, L. 1974; R.C.M. 1947, 3-24-116.

## Part 6

## Penalties

**81-22-601. Penalties for violations.** (1) A person who violates this chapter, fails to comply with the rules adopted under this chapter, or fails or neglects to obey a lawful order of the department made under this chapter, is guilty of a misdemeanor.

(2) Unless a specific penalty is provided in this chapter or rules for the offense, the offender shall be fined not less than $25 and not more than $500 or imprisoned in the county jail for not to exceed 6 months or both fined and imprisoned.

**History: En. Sec. 50, Ch. 413, L. 1971; amd. Sec. 38, Ch. 310, L. 1974; R.C.M. 1947, 3-24-137.**

**81-22-602. Deceit in grade, measure, or test of milk and cream unlawful.** (1) No person may use a measure or grading or testing apparatus which does not comply with the standards of the department or make any false or inaccurate statement or otherwise deceive or defraud a producer or other person concerning the weight, measure, butterfat content, or other component content of milk or cream.

(2) A person, firm, or corporation who violates this section is guilty of a misdemeanor and shall be fined not more than $300 or imprisoned in the county jail for not more than 2 months or both fined and imprisoned. The department may revoke a license issued to a person, firm, or corporation upon conviction for violation of this section.

**History: (1)En. Sec. 1, Ch. 182, L. 1931; amd. Sec. 1, Ch. 169, L. 1933; re-en. Sec. 3572.1, R.C.M. 1935; Sec. 3-113, R.C.M. 1947; amd. and redes. 3-24-138 by Sec. 3, Ch. 218, L. 1974; amd. Sec. 8, Ch. 12, L. 1977; Sec. 3-24-138, R.C.M. 1947; (2)En. Sec. 2, Ch. 182, L. 1931; amd. Sec. 2, Ch. 169, L. 1933; re-en. Sec. 3572.2, R.C.M. 1935; Sec. 3-114, R.C.M. 1947; amd. and redes. 3-24-139 by Sec. 4, Ch. 218, L. 1974; Sec. 3-24-139; R.C.M. 1947; R.C.M. 1947, 3-24-138, 3-24-139.**

# CHAPTER 23

# MILK PRICE CONTROL

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## Part 1

## General Administration

**81-23-101. Definitions.** (1) Unless the context requires otherwise, in this chapter the following definitions apply:

(a) "Board" means the board of milk control provided for in 2-15-1802.

(b) "Class I milk" includes all bottled or packaged milk, low fat, buttermilk, chocolate milk, whipping cream, commercial cream, half-and-half, skim milk, fortified skim milk, skim milk flavored drinks, and any other fluid milk not specifically classified in this chapter, whether raw, pasteurized, homogenized, sterile, or aseptic.

(c) "Class II milk" includes milk used in the manufacture of ice cream and ice cream mix, ice milk, sherbet, eggnog, cultured sour cream, cottage cheese, condensed milk, and powdered skim for human consumption.

(d) "Class III milk" includes milk used in the manufacture of butter, cheddar cheese, process cheese, livestock feed, powdered skim other than for human consumption, and skim milk dumped.

(e) "Consumer" means a person or an agency, other than a dealer, who purchases milk for consumption or use.

(f) "Dealer" means a producer, distributor, producer-distributor, jobber, or independent contractor.

(g) "Department" means the department of commerce provided for in Title 2, chapter 15, part 18.

(h) "Distributor" means a person purchasing milk from any source, either in bulk or in packages, and distributing it for consumption in this state. The term includes what are commonly known as jobbers and independent contractors. The term, however, excludes a person purchasing milk from a dealer licensed under this chapter, for resale over the counter at retail or for consumption on the premises.

(i) "Jobber prices" means those prices at which milk owned by a distributor is sold, in bulk or in packages, to a jobber or independent contractor.

(j) "Licensee" means a person who holds a license from the department.

(k) "Market" means an area of the state designated by the department as a natural marketing area.

(l) "Milk" means the lacteal secretion of a dairy animal or animals, including those secretions when raw and when cooled, pasteurized, standardized, homogenized, recombined, concentrated fresh, or otherwise processed and all of which is designated as grade A by a duly constituted health authority and also includes those secretions which are in any manner rendered sterile or aseptic, notwithstanding whether they are regulated by any health authority of this or any other state or nation.

(m) "Person" means a person, firm, corporation, or cooperative association.

(n) "Producer" means a person who produces milk for consumption in this state, selling it to a distributor.

(o) "Producer-distributor" means a person both producing and distributing milk for consumption in this state.

(p) "Producer prices" means those prices at which milk owned by a producer is sold in bulk to a distributor.

(q) "Retail prices" means those prices at which milk owned by a retailer is sold, in bulk or in packages, over the counter at retail or for consumption on the premises.

(r) "Retailer" means a person selling milk in bulk or in packages over the counter at retail or for consumption on the premises and includes but is not limited to retail stores of all types, restaurants, boardinghouses, fraternities, sororities, confectionaries, public and private schools, including colleges and universities, and both public and private institutions and instrumentalities of all types and description.

(s) "Wholesale prices" means those prices at which milk owned by a distributor is sold, in bulk or in packages, to a retailer.

(2) The department may assign new milk products, not expressly included in one of the classes defined in this section, to the class which in its discretion it determines to be proper.

**History: En. Sec. 3, Ch. 204, L. 1939; amd. Sec. 1, Ch. 192, L. 1959; amd. Sec. 3, Ch. 4, L. 1967; amd. Sec. 1, Ch. 107, L. 1971; amd. Sec. 89, Ch. 431, L. 1975; R.C.M. 1947, 27-403; amd. Sec. 2, Ch. 274, L. 1981.**

**81-23-102. Policy.** (1) It is hereby declared that:

(a) milk is a necessary article of food for human consumption;

(b) the production and maintenance of an adequate supply of healthful milk of proper chemical and physical content, free from contamination, is vital to the public health and welfare;

(c) the production, transportation, processing, storage, distribution, and sale of milk in the state of Montana is an industry affecting the public health and interest;

(d) unfair, unjust, destructive, and demoralizing trade practices have been and are now being carried on in the production, transportation, processing, storage, distribution, and sale of milk and products manufactured therefrom, which trade practices constitute a constant menace to the health and welfare of the inhabitants of this state and tend to undermine the sanitary regulations and standards of content and purity of milk;

(e) health regulations alone are insufficient to prevent disturbances in the milk industry and to safeguard the consuming public from further inadequacy of a supply of this necessary commodity;

(f) it is the policy of this state to promote, foster, and encourage the intelligent production and orderly marketing of milk and cream and products manufactured therefrom, to eliminate speculation and waste, to make the distribution thereof between the producer and consumer as direct as can be efficiently and economically done, and to stabilize the marketing of such commodities;

(g) investigations have revealed and experience has shown that, due to the nature of milk and the conditions surrounding the production and marketing of milk and due to the vital importance of milk to the health and well-being of the citizens of this state, it is necessary to invoke the police powers of the state to provide a constant supervision and regulation of the milk industry of the state to prevent the occurrence and recurrence of those unfair, unjust, destructive, demoralizing, and chaotic conditions and trade practices within the industry which have in the past affected the industry and which constantly threaten to be revived within the industry and to disrupt or destroy an adequate supply of pure and wholesome milk to the consuming public and to the citizens of this state;

(h) milk is a perishable commodity which is easily contaminated with harmful bacteria, which cannot be stored for any great length of time, which must be produced and distributed fresh daily, and the supply of which cannot be regulated from day to day but, due to natural and seasonal conditions, must be produced on a constantly uniform and even basis;

(i) the demand for this perishable commodity fluctuates from day to day and from time to time making it necessary that the producers and distributors shall produce and carry on hand a surplus of milk in order to guarantee and insure to the consuming public an adequate supply at all times, which surplus must of necessity be converted into byproducts of milk at great expense and ofttimes at a loss to the producer and distributor;

(j) this surplus of milk, though necessary and unavoidable, unless regulated, tends to undermine and destroy the milk industry, which causes producers to relax their diligence in complying with the provisions of the health authorities and ofttimes to produce milk of an inferior and unsanitary quality;

(k) investigation and experience have further shown that, due to the nature of milk and the conditions surrounding its production and marketing, unless the producers, distributors, and others engaged in the marketing of milk are guaranteed and insured a reasonable profit on milk, both the supply and quality of milk are affected to the detriment of and against the best interest of the citizens of this state whose health and well-being are thereby vitally affected;

(l) where no supervision and regulation are provided for the orderly and profitable marketing of milk, past experience has shown that the credit status of both producers and distributors of milk is adversely affected to a serious degree, thereby entailing loss and hardship upon all within the community with whom these producers and distributors carry on business relations;

(m) due to the nature of milk and the conditions surrounding its production and distribution, the natural law of supply and demand has been found inadequate to protect the industry in this and other states and in the public interest it is necessary to provide state supervision and regulation of the milk industry in this state.

(2) The general purpose of this chapter is to protect and promote public welfare and to eliminate unfair and demoralizing trade practices in the milk industry. It is enacted in the exercise of the police powers of the state.

**History: (1)En. Sec. 1, Ch. 204, L. 1939; amd. Sec. 1, Ch. 4, L. 1967; Sec. 27-401, R.C.M. 1947; (2)En. Sec. 2, Ch. 204, L. 1939; amd. Sec. 2, Ch. 4, L. 1967; amd. Sec. 88, Ch. 431, L. 1975; Sec. 27-402, R.C.M. 1947; R.C.M. 1947, 27-401, 27-402.**

**81-23-103. General powers of the department.** (1) The department shall supervise, regulate, and control the milk industry of this state, including the production, processing, storage, distribution, and sale of milk sold for consumption in this state. Nothing in this chapter abrogates or affects the status, force, or operation of any provision of public health laws or the law under which the department of livestock is constituted together with the department of livestock rules, county board of health rules, or municipal ordinances for the promotion or protection of the public health. The department may cooperate with the department of health and environmental sciences, the board of livestock, any county or city board of health, or the department of agriculture in enforcing this chapter.

(2) The department shall investigate all matters pertaining to the production, processing, storage, distribution, and sale of milk in this state and conduct hearings upon any subject pertinent to the administration of this chapter. The department may subpoena milk dealers, their records, books, and accounts, and any other person from whom information may be desired or considered necessary to carry out the purposes and intent of this chapter and may take depositions of witnesses who are sick or absent from the state or who cannot otherwise appear in person before the department at its offices. The department shall give at least 10 days' notice to the proposed witness.

**History: En. Sec. 5, Ch. 204, L. 1939; amd. Sec. 3, Ch. 192, L. 1959; amd. Sec. 4, Ch. 4, L. 1967; amd. Sec. 1, Ch. 267, L. 1975; amd. Sec. 90, Ch. 431, L. 1975; amd. Sec. 1, Ch. 19, L. 1977; R.C.M. 1947, 27-405.**

**Cross-References**

Montana Administrative Procedure Act — contested case procedure, Title 2, ch. 4, part 6.

Creation of Department of Livestock, 2-15-3101.

Regulation of foodstuffs, 7-21-4202.

**81-23-104. Rules and orders.** The department may adopt and enforce rules and orders necessary to carry out the provisions of this chapter and any orders adopted under it by the department or the board. A rule or order shall be posted for public inspection in the main office of the department for 30 days, and a copy shall be filed in the office of the department. A copy shall also be sent by registered or certified letter to the secretary of each area, except in the case of an order directed only to a person or persons named in it, which shall be served by personal delivery of a copy or by mailing a copy to each person to whom the order is directed or, in the case of a corporation, to any officer or agent of the corporation upon whom a summons may be served in accordance with laws of this state. The posting, in the main office of the department, of a rule or order not required to be personally served as provided in this section and the filing in the office of the department is sufficient notice to all persons affected by the rule or order. A rule or order when properly posted and filed or served, as provided in this section, has the force of law.

**History: En. Sec. 13, Ch. 204, L. 1939; amd. Sec. 97, Ch. 431, L. 1975; R.C.M. 1947, 27-413.**

**Cross-References**

Montana Administrative Procedure Act — adoption and publication of rules, Title 2, ch. 4, part 3.

**81-23-105. Testing of milk.** (1) For the purpose of determining the value of milk supplied by producers during routine audits of milk processing plants which receive raw milk directly from producers, the department of commerce may establish a program of testing such raw milk.

(2) The department of commerce may levy an assessment on licensed producers to secure the necessary funds to administer this program. This assessment is in addition to those provided in 81-23-202.

(3) All personnel employed in the sampling and testing program shall be licensed by the animal health division of the department of livestock.

(4) The department of commerce may conduct all types of sampling, grading, and testing techniques which it considers necessary to carry out the intent of this section.

**History:** **En. 27-430 by Sec. 1, Ch. 245, L. 1977; R.C.M. 1947, 27-430; amd. Sec. 2, Ch. 274, L. 1981; amd. Sec. 1, Ch. 316, L. 1985.**

**Cross-References**

Sampling and testing by Department, 81-22-303.

**81-23-106. Application.** This chapter does not apply to foreign or interstate commerce except insofar as it may be effective in compliance with the United States constitution and with the laws of the United States. It is the intention of the legislature, however, that the instant, whenever that may be, that the handling within the state by a dealer of milk produced outside of the state becomes the subject of regulation by the state in the exercise of its police powers, the provisions of this chapter affecting intrastate milk immediately apply and the powers conferred by this chapter attach thereto.

**History:** **En. Sec. 23, Ch. 204, L. 1939; amd. Sec. 106, Ch. 431, L. 1975; R.C.M. 1947, 27-423(2).**

## Part 2

## Licensing

**Part Cross-References**

Montana Administrative Procedure Act — contested case procedure, Title 2, ch. 4, part 6.

Licensing of milk plants and dairies selling milk or cream for public consumption, 81-21-102.

**81-23-201. Licenses to producers, producer-distributors, distributors, and jobbers.** In any market where the provisions of this chapter apply, it is unlawful for a producer, producer-distributor, distributor, or jobber to produce, transport, process, store, handle, distribute, buy, or sell milk unless the dealer is properly licensed as provided by this chapter. It is unlawful for a person to buy, sell, handle, process, or distribute milk which he knows or has reason to believe has been previously dealt with or handled in violation of any provision of this chapter. The department may decline to grant a license or may suspend or revoke a license already granted, upon due cause and after hearings.

**History:** **En. Sec. 8, Ch. 204, L. 1939; amd. Sec. 4, Ch. 107, L. 1971; amd. Sec. 93, Ch. 431, L. 1975; R.C.M. 1947, 27-408.**

**81-23-202. Licenses — disposition of income.** (1) A producer, producer-distributor, distributor, or jobber may not engage in the business of producing or selling milk subject to this chapter in this state without first having obtained a license from the department of livestock or, in the case of milk entering this state from another state or foreign nation, without complying with the requirements of the Montana Food, Drug, and Cosmetic Act and without being licensed under this chapter by the department. The annual fee for the license from the department is $2 and is due before July 1 and shall be deposited by the department to the credit of the general fund. The license required by this chapter is in addition to any other license required by state law or any municipality of this state. This chapter shall apply to every part of the state of Montana.

(2) In addition to the annual license fee, the department shall, in each year, before April 1, for the purpose of securing funds to administer and enforce this chapter, levy an assessment upon producers, producer-distributors, and distributors as follows:

(a) a fee per hundredweight on the total volume of all milk subject to this chapter produced and sold by a producer-distributor;

(b) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a producer;

(c) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a distributor, excepting that which is sold to another distributor.

(3) The department shall adopt rules fixing the amount of each fee. The amounts may not exceed levels sufficient to provide for the administration of this chapter. The fee assessed on a producer or on a distributor may not be more than one-half the fee assessed on a producer-distributor.

(4) The assessment upon producer-distributors, producers, and distributors shall be paid quarterly before January 15, April 15, July 15, and October 15 of each year. The amount of the assessment shall be computed by applying the fee designated by the department to the volume of milk sold in the preceding calendar quarter.

(5) Failure of a producer, producer-distributor, or distributor to pay an assessment when due is a violation of this chapter and his license under this chapter automatically terminates and is void. A license so terminated shall be reinstated by the department upon payment of a delinquency fee equal to 30% of the assessment which was due.

(6) All assessments required by this chapter shall be deposited by the department in the state special revenue fund. All costs of administering this chapter, including the salaries of employees and assistants, per diem and expenses of board members, and all other disbursements necessary to carry out the purpose of this chapter, shall be paid out of control board moneys in that fund.

(7) The department may, if it finds the costs of administering and enforcing this chapter can be derived from lower rates, amend its rules to fix the rates at a less amount on or before April 1 in any year.

**History: Ap. p. Sec. 9, Ch. 204, L. 1939; amd. Sec. 6, Ch. 192, L. 1959; amd. Sec. 157, Ch. 147, L. 1963; amd. Sec. 5, Ch. 107, L. 1971; amd. Sec. 2, Ch. 127, L. 1974; amd. Sec. 94, Ch. 431, L. 1975; Sec. 27-409, R.C.M. 1947; Ap. p. Sec. 23, Ch. 204, L. 1939; amd. Sec. 106, Ch.**

**431, L. 1975; Sec. 27-423, R.C.M. 1947; R.C.M. 1947, 27-409, 27-423(part); amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**
Montana Food, Drug, and Cosmetic Act, Title 50, ch. 31.

**81-23-203. Application for licenses.** An applicant for license to operate as a producer, producer-distributor, distributor, or jobber shall file a signed application upon a blank prepared under authority of the department, and an applicant shall state facts concerning his circumstances and the nature of the business to be conducted which in the opinion of the department are necessary for the administration of this chapter. The application shall certify the applicant to be the holder of all licenses required by the department of livestock for the conduct of his business or, in the case of milk entering this state from another state or foreign nation, compliance with the requirements of the Montana Food, Drug, and Cosmetic Act. The application shall be accompanied by the license fee required to be paid.

**History: En. Sec. 10, Ch. 204, L. 1939; amd. Sec. 7, Ch. 192, L. 1959; amd. Sec. 6, Ch. 107, L. 1971; amd. Sec. 95, Ch. 431, L. 1975; R.C.M. 1947, 27-410.**

**Cross-References**
Small business licensing coordination, Title 30, ch. 16.

**81-23-204. Declining, suspending, and revoking licenses — penalties in lieu of suspension or revocation.** (1) The department may refuse to grant a license or may suspend or revoke a license already granted for due cause upon due notice and after hearing. The violation of any provisions of this chapter or of any lawful order or rule of the board or department, the failure or refusal to make required statements or reports, or failure to pay license or assessment fees are causes for which the department may suspend or revoke a license.

(2) In place of suspension or revocation of a license, the department may assess a civil penalty not to exceed $500 per day for each daily failure to comply with or each daily violation of the provisions of this chapter or of any lawful order or rule of the department or board. If the person against whom a civil penalty is assessed fails to pay the civil penalty immediately, the department shall collect the civil penalty by a civil proceeding in the district court of the first judicial district. This penalty shall be construed as civil and not criminal in nature. Any moneys received by the department as a result of collection of civil penalties shall be paid into the state special revenue fund as provided by 81-23-403.

**History: En. Sec. 11, Ch. 204, L. 1939; amd. Sec. 7, Ch. 107, L. 1971; amd. Sec. 96, Ch. 431, L. 1975; R.C.M. 1947, 27-411; amd. Sec. 3, Ch. 23, L. 1983; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**
Montana Administrative Procedure Act — contested case procedure, Title 2, ch. 4, part 6.

**81-23-205. Repealed.** Sec. 7, Ch. 23, L. 1983.

**History: En. Sec. 10, Ch. 192, L. 1959; amd. Sec. 7, Ch. 4, L. 1967; amd. Sec. 108, Ch. 431, L. 1975; R.C.M. 1947, 27-426.**

## Part 3

## Regulation of Milk Prices

**81-23-301. Repealed.** Sec. 7, Ch. 23, L. 1983.

**History: En. Sec. 6, Ch. 204, L. 1939; amd. Sec. 4, Ch. 192, L. 1959; amd. Sec. 2, Ch. 107, L. 1971; amd. Sec. 91, Ch. 431, L. 1975; R.C.M. 1947, 27-406.**

**81-23-302. Establishment of minimum prices.** (1) The board shall fix minimum producer, wholesale, jobber, and retail prices for class I milk and minimum producer prices only for class II and class III milk by adopting rules in a manner prescribed by the Montana Administrative Procedure Act.

(2) The board shall establish such prices by means of flexible formulas which shall be devised so that they bring about such automatic changes in all minimum prices as are justified on the basis of changes in production, supply, processing, distribution, and retailing costs.

(3) The board shall consider the balance between production and consumption of milk, the costs of production and distribution, and prices in adjacent and neighboring areas and states so that minimum prices which are fair and equitable to producers, distributors, jobbers, retailers, and consumers may result.

(4) The board shall, when publishing notice of proposed rulemaking under authority of this section, set forth the specific factors which shall be taken into consideration in establishing the formulas and in particular in determining costs of production and distribution and of the actual dollars and cents costs of production and distribution which preliminary studies and investigations of auditors or accountants in its employment indicate will or should be shown at the hearing so that all interested parties will have opportunity to be heard and to question or rebut such considerations as a matter of record.

(5) Such specific factors may include but shall not be limited to the following items:

(a) current and prospective supplies of milk in relation to current and prospective demands for such milk for all purposes;

(b) the ability and willingness of consumers to purchase, which shall include among other things per capita disposable income statistics, consumer price indexes, and wholesale price indexes;

(c) the cost factors in producing milk, which shall include among other things the prices paid by farmers generally (as used in parity calculations of the United States department of agriculture), prices paid by farmers for dairy feed in particular, and farm wage rates in this state;

(d) the alternative opportunities, both farm and nonfarm, open to milk producers, which shall include among other things prices received by farmers for all products other than milk, prices received by farmers for beef cattle, and the percentage of unemployment in the state and nation as determined by appropriate state and federal agencies;

(e) the prices of butter, nonfat dry milk, and cheese;

(f) the cost factors in distributing milk, which shall include among other things the prices paid by distributors for equipment of all types required to process and market milk and prevailing wage rates in this state;

(g) the cost factors in jobbing milk, which shall include among other things raw product and ingredient costs, carton or other packaging cost, processing cost, and that part of general administrative costs of the supplying distributor which may properly be allocated to the handling of milk to the point at which such milk is at the supplying distributor's dock, equipment of all types required to market milk, and prevailing wage rates in the state;

(h) the need, if any, for freight or transportation charges to be deducted by distributors from producer prices for bulk milk.

(6) If the board at any time proposes to base all or any part of any official order establishing or revising any milk pricing formulas upon facts within its own knowledge, as distinguished from evidence which may be presented to it by the consuming public or the milk industry, the board shall, when publishing notice of proposed rulemaking under authority of this section, cause notice to be given to the consuming public and the milk industry of the specific facts within its own knowledge which it will consider, so that all interested parties will have opportunity to be heard and to question or rebut such facts as a matter of record.

(7) The board, after consideration of the evidence produced, shall make written findings and conclusions and shall fix by official rule the formula whereby minimum:

(a) producer prices for milk in classes I, II, and III shall be computed;

(b) wholesale prices for milk in class I shall be computed;

(c) jobber prices for milk in class I shall be computed;

(d) retail prices for milk in class I shall be computed.

(8) This section shall not be construed as requiring the board to promulgate any specific number of formulas, but shall be construed liberally so that the board may adopt any reasonable method of expression to accomplish the objective set forth in subsection (7). If the evidence presented to the board at any public hearing for the establishment or revision of milk pricing formulas is found by the board to require the establishment of separate and varying wholesale prices for any particular uses, the board shall designate the reasons therefor and establish such separate formulas.

(9) Each rule establishing or revising any milk pricing formulas shall classify milk by forms, classes, grades, or uses as the board may deem advisable and shall specify the minimum prices therefor.

(10) The board shall adopt rules after notice and hearing in the manner prescribed by the Montana Administrative Procedure Act to regulate transportation rates which distributors, contract haulers, and others charge producers for both farm-to-plant and interplant transportation of milk. No allowance for transportation of milk between plants may be permitted unless it is found by the board to be necessary to permit the movement of milk in the public interest.

(11) All milk purchased by a distributor shall be purchased on a uniform basis. The basis to be used shall be established by the board after the producers and the distributors have been consulted.

(12) The board may amend any official rule in the same manner provided herein for the original establishment of milk pricing formulas. The board may in its discretion, when it determines the need exists, give notice of and hold statewide public hearings affecting establishment or revision of milk pricing formulas.

(13) Upon petition of a distributor or a majority of his producers, the board shall hold a hearing to receive and consider evidence regarding the advisability and need for a base or quota plan as a method of payment by that distributor of producer prices; and if the board finds that the evidence adduced at such hearing warrants the establishment of a base or quota plan, the board shall proceed by official order to establish the same.

(14) (a) Upon petition by 10% or 20 of the licensed producers in Montana, whichever is less, or upon petition by any licensed producer-distributor or distributor, the board shall hold a hearing to receive and consider evidence regarding the advisability and need for a statewide pooling arrangement as a method of payment of producer prices, provided that at such hearing the board shall among other things specifically receive and consider evidence concerning production and marketing practices which have historically prevailed statewide. If the board finds that the evidence adduced at such hearing warrants the establishment of a statewide pooling arrangement, the board shall proceed by official order to establish the same; but such official order shall be of no force or effect until it is approved in a referendum conducted by the board by mail and by secret ballot among affected producers, producer-distributors, and distributors. The board shall keep confidential the vote of each producer, producer-distributor, and distributor voting in the referendum. The official order must be approved by a majority of the producers, producer-distributors, and distributors voting, representing more than 50% of the milk produced in Montana that is to be included in the proposed pool, based on each producer's average monthly production for the 12 months immediately preceding the referendum. If the board finds it necessary, the board may conduct more than one referendum on any order.

(b) The order of the board establishing the statewide pooling arrangement may include other provisions as the board considers necessary for the proper and efficient operation of the pool. These provisions may include but are not limited to:

(i) a statewide base or quota plan contemplated in subsection (13);

(ii) the establishment of a pool settlement fund to be administered by the department for the purpose of receiving payments from pool distributors or making payments to them as necessary in order to operate and administer the statewide pool; and

(iii) the establishment of a pool expense fund for the purpose of offsetting the costs to the department of administering the pool, funded by a special levy assessed against each pool producer.

(c) During the initial startup of a statewide pool, the department may draw from existing cash reserves to fund a pool settlement fund and a pool expense fund, but any withdrawals from the cash reserve must be reimbursed.

(d) An order of the board establishing a statewide pooling arrangement that has been approved in a referendum may be rescinded in the same manner as provided for approval of the order under subsection (14)(a). Such order may be amended without a referendum if, prior to amending the order, the board gives written notice of its intended action and holds a public hearing as required under the Montana Administrative Procedure Act.

(15) The requirements hereinabove set forth concerning notices of hearings for the establishment of milk pricing formulas shall apply to any hearings

regarding base or quota plans or statewide pooling arrangements or abandonment thereof.

(16) Rules adopted pursuant to this section shall be enforced and audited for compliance by the milk control bureau of the department of commerce.

**History: En. Sec. 7, Ch. 204, L. 1939; amd. Sec. 5, Ch. 192, L. 1959; amd. Sec. 5, Ch. 4, L. 1967; amd. Sec. 3, Ch. 107, L. 1971; amd. Sec. 1, Ch. 127, L. 1974; amd. Sec. 92, Ch. 431, L. 1975; amd. Sec. 2, Ch. 19, L. 1977; R.C.M. 1947, 27-407; amd. Sec. 2, Ch. 274, L. 1981; amd. Sec. 4, Ch. 23, L. 1983; amd. Sec. 1, Ch. 274, L. 1987.**

**Cross-References**

Montana Administrative Procedure Act — adoption of rules, Title 2, ch. 4, part 3.

Creation of Board of Milk Control, 2-15-1802.

**81-23-303. Rules of fair trade practices.** The department may adopt reasonable rules governing fair trade practices as they pertain to the transaction of business among licensees under this chapter and among licensees and the general public. Those rules shall contain but are not limited to provisions prohibiting the following methods of doing business which are unfair, unlawful, and not in the public interest:

(1) the payment, allowance, or acceptance of secret rebates, secret refunds, or unearned discounts by a person, whether in the form of money or otherwise;

(2) the giving of milk, cream, dairy products, services, or articles of any kind, except to bona fide charities, for the purpose of securing or retaining the fluid milk or fluid cream business of a customer;

(3) the extension to certain customers of special prices or services not available to all customers who purchase milk of like quantity under like terms and conditions;

(4) the purchasing, processing, bottling, packaging, transporting, delivering, or otherwise handling of milk which is to be or is sold or otherwise disposed of at less than the minimum wholesale and minimum retail prices established by the board;

(5) the payment of a price lower than the applicable producer price, established by the board, by a distributor to a producer for milk which is distributed to any person, including agencies of the federal, state, or local government.

**History: En. Sec. 14, Ch. 204, L. 1939; amd. Sec. 8, Ch. 192, L. 1959; amd. Sec. 98, Ch. 431, L. 1975; R.C.M. 1947, 27-414; amd. Sec. 5, Ch. 23, L. 1983.**

**81-23-304. Limitation on extension of credit to retailers.** A sale or delivery may not be made by a producer-distributor, distributor, or jobber to a retailer, except for cash or payment within 15 days after regular billings, and all producer-distributors, distributors, and jobbers shall bill retailers at least monthly. A producer-distributor, distributor, or jobber may not extend more than 15 days' credit after billing to a retailer. A retailer may not receive delivery of milk without agreement to pay for it in cash within 15 days after regular billing. A correctly dated check which is honored upon presentment is cash within the meaning of this section. An extension or acceptance of credit in violation of this section shall be construed as rendering or receiving financial assistance. The licenses of producer-distributors, distributors, or jobbers involved in violation of this section shall be suspended or revoked as determined by the department after a hearing pursuant to the Montana Administrative Procedure Act.

**History: En. Sec. 8, Ch. 107, L. 1971; amd. Sec. 99, Ch. 431, L. 1975; R.C.M. 1947, 27-414.1; amd. Sec. 6, Ch. 23, L. 1983.**

**81-23-305. Financing prohibitions — producer and retailer.** (1) A producer, producer-distributor, distributor, or jobber licensed under this chapter may not advance or loan money or credit to or furnish money or credit for or refinance or cosign or guarantee promissory notes, security agreements, conditional sales contracts, or other commercial paper for or on behalf of a retailer. A producer, producer-distributor, distributor, or jobber may not be financially interested, either directly or indirectly, in the conduct or operation of the business of a retailer. A producer-distributor, distributor, or jobber licensed under this chapter may not advance or loan money or credit to or furnish money or credit for or refinance or cosign or guarantee promissory notes, security agreements, conditional sales contracts, or other commercial paper for or on behalf of a producer. A producer-distributor, distributor, or jobber may not be financially interested, either directly or indirectly, in the conduct or operation of the business of a producer. This section does not prohibit a producer from belonging to, participating in, or patronizing a cooperative corporation or a producer, producer-distributor, distributor, or jobber from operating his own wholly-owned dairy products or other retail store or home-delivery retail routes.

(2) This section does not prohibit a producer from requesting and a distributor from granting an advance payment for milk before the regular date of payment for milk or limit in any way the right of a producer to assign part or all of moneys which are or may become due to him from a distributor.

**History: En. Sec. 9, Ch. 107, L. 1971; amd. Sec. 100, Ch. 431, L. 1975; R.C.M. 1947, 27-414.2.**

## Part 4

## Enforcement

**81-23-401. Entry, inspection, and investigation.** The department may enter, at all reasonable hours, all places where milk is produced, processed, bottled, handled, or stored or where the books, papers, records, or documents relative to those transactions are kept, and may inspect and copy them in any place in this state. The department may administer oaths and take testimony for the purpose of ascertaining facts which, in the judgment of the department, are necessary to administer this chapter.

**History: En. Sec. 15, Ch. 204, L. 1939; amd. Sec. 6, Ch. 4, L. 1967; amd. Sec. 101, Ch. 431, L. 1975; R.C.M. 1947, 27-415.**

**Cross-References**

Search and seizure, Art. II, sec. 11, Mont. Const.; Title 46, ch. 5.

**81-23-402. Reports of dealers — accounting system — records.** (1) The department may require licensees to file with it reports at reasonable or regular times which the department may require, showing the licensee's production, sale, or distribution of milk and any information considered by the department necessary which pertains to the production, sale, or distribution of milk, either under oath or otherwise, as the department may direct. Failure or refusal to file a report when directed to do so is grounds for the revocation of the license and is a violation for which the licensee may be fined as provided by this chapter, one or both, at the discretion of the department.

(2) The department shall adopt a uniform system of accounting to be used by the distributor to account for the usage of all milk received by the distributor.

(3) A distributor and producer-distributor shall keep:

(a) a record of all milk, cream, or dairy products received, detailed as to location, names and addresses of suppliers, prices paid, deductions or charges made, and the use to which the milk or cream was put;

(b) a record of the quantity of each kind of milk or dairy product manufactured and the quantity and price of milk or dairy products sold;

(c) a complete record of all milk, cream, or dairy products sold, classified as to kind and grade, showing where sold, and the amount received in payment;

(d) a record of the wastage or loss of milk or dairy products;

(e) a record of the items of handling expense;

(f) a record of all refrigeration facilities sold for storage purposes to any person, showing types, sizes, and location of the facilities and the original or duplicate original of all agreements covering sales for them;

(g) other records which the department considers necessary for the proper enforcement of this chapter.

**History:** En. Sec. 16, Ch. 204, L. 1939; amd. Sec. 9, Ch. 192, L. 1959; amd. Sec. 102, Ch. 431, L. 1975; R.C.M. 1947, 27-416.

**81-23-403. Disposition of fines.** (1) All fines assessed by a court other than a justice's court for violation of this chapter shall be paid by the court to the department.

(2) All fines received by the department shall be deposited with the state treasurer and shall be placed by him in the state special revenue fund. Fines assessed for violations of this chapter are earmarked for the purposes of this chapter.

**History:** En. Sec. 17, Ch. 204, L. 1939; amd. Sec. 158, Ch. 147, L. 1963; amd. Sec. 103, Ch. 431, L. 1975; R.C.M. 1947, 27-417; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 58, Ch. 557, L. 1987.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

**81-23-404. Cooperation with other governmental agencies.** In order to secure a uniform system of milk control, the department shall confer and cooperate with the proper authorities of other states and of the United States, including the secretary of agriculture of the United States, and for those purposes, the department may conduct joint hearings, issue joint or concurrent orders, and exercise all its powers under this chapter.

**History:** En. Sec. 21, Ch. 204, L. 1939; amd. Sec. 104, Ch. 431, L. 1975; R.C.M. 1947, 27-421.

**81-23-405. Violations made misdemeanors — penalties.** (1) A person who produces, sells, distributes, or handles milk in any way, except as a consumer, without a license from the department as required by this chapter or who violates a lawful rule of the department or board is guilty of a misdemeanor punishable by a fine not exceeding $600. Each day's violation is a separate offense.

(2) The district courts have original jurisdiction in all criminal actions for violations of this chapter and in all civil actions for the recovery or enforcement of penalties provided for in this chapter. All of those actions, both criminal and civil, shall be tried in the district court.

(3) The county attorneys, in their respective counties, shall diligently prosecute all violations of this chapter.

**History:** **En. Sec. 22, Ch. 204, L. 1939; amd. Sec. 105, Ch. 431, L. 1975; R.C.M. 1947, 27-422.**

**81-23-406. Additional remedies.** The department may begin any proceeding at law or in equity as may appear necessary to enforce compliance with this chapter or to enforce compliance with an order or rule of the board or department adopted under this chapter or to obtain a judicial interpretation of any of them. In addition to any other remedy, the department may apply to the district court of the district where the action arises for relief by injunction, mandamus, or any other appropriate remedy in equity without being compelled to allege or prove that an adequate remedy at law does not otherwise exist. The department may not be required to post bond in an action to which it is a party whether upon appeal or otherwise. All legal actions may be brought by or against the board or department in the name of the department of commerce, and it is not necessary in an action to which the department is a party that the action be brought by or against this state on relation of the department. The department may sue by its own attorney, and it may also call upon a county attorney to represent it in the district court of his county or the attorney general to represent it on appeal to the supreme court, or it may associate its own attorney with either in any court.

**History:** **En. Sec. 24, Ch. 204, L. 1939; amd. Sec. 107, Ch. 431, L. 1975; R.C.M. 1947, 27-424; amd. Sec. 2, Ch. 274, L. 1981.**

**Cross-References**

Injunctions, Title 27, ch. 19.

Mandamus, Title 27, ch. 26.

# TITLE 82

## MINERALS, OIL, AND GAS

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1. General Provisions.
2. Mining Generally.
3. Coal Mining.
4. Reclamation.
   Chapters 5 through 9 reserved.
10. Oil and Gas — General Provisions.
11. Oil and Gas Conservation.
   Chapters 12 through 14 reserved.
15. Regulation of Petroleum Products.

## CHAPTER 1

## GENERAL PROVISIONS

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**Chapter Cross-References**

The Montana Resource Indemnity Trust Act, Title 15, ch. 38.

Service of process upon business corporation, 35-1-307.

Service of process upon foreign corporation, 35-1-1014.

## Part 1

## Geophysical Exploration

**Part Cross-References**

Surface owner damage and disruption compensation, Title 82, ch. 10, part 5.

**82-1-101. Persons required to comply.** (1) A person, firm, or corporation operating individually or through agents within the state of Montana for the purpose of seismic exploration in which exploration entry is made upon the surface estate for the acquisition of geophysical data for any purpose whatsoever, and which person, firm, or corporation either through its own employees or by hiring the services of others operates seismograph crews, as the term is generally known, shall comply with the following provisions of this part; provided, however, that compliance with the provisions of this part by a seismograph crew or its employer shall constitute compliance herewith by that person, firm, or corporation who has engaged the services of such crew or its employer as an independent contractor insofar as the geophysical operations of such crew are concerned.

(2) The board of oil and gas conservation shall adopt rules:

(a) requiring adequate identification of seismic exploration crews operating in this state;

(b) designating areas where seismic exploration and activities may not be allowed; and

(c) regulating the plugging and abandonment of seismic shot holes.

**History: En. Sec. 1, Ch. 235, L. 1955; R.C.M. 1947, 69-3301; amd. Sec. 1, Ch. 116, L. 1983; amd. Sec. 1, Ch. 339, L. 1985; amd. Sec. 1, Ch. 190, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (2)(c) regarding seismic shot holes. Amendment effective March 20, 1989.

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Administrative rules governing use of explosives — State Fire Marshal, 50-3-102.

Notice of intention to be filed with Board of Oil and Gas Conservation, 82-11-122.

**82-1-102. Doing business within state — resident agent.** A person, firm, or corporation shall be deemed to be doing business within the state of Montana when engaged in such geophysical exploration within the boundaries of this state and shall, if not already qualified to do business within this state with a designation of an agent within the state for service of process prior to such time, file with the secretary of state of the state of Montana an authorization, which authorization shall designate a resident agent for the service of process in any action which may be pending in a court in this state, which cause of action may have arisen out of such geophysical exploration.

**History: En. Sec. 2, Ch. 235, L. 1955; R.C.M. 1947, 69-3302.**

**Cross-References**

Persons subject to jurisdiction — process — service, Rule 4, M.R.Civ.P. (see Title 25, ch. 20).

Service of process upon corporations, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20), 35-1-307, 35-1-1014, 35-2-304.

Registration of foreign corporations, Title 35, ch. 1, part 10.

**82-1-103. Notice of intention to explore.** A person, firm, or corporation desiring to engage in geophysical exploration within the state of Montana shall file a notice of intention to engage in the exploration with the county clerk and recorder in each county in which exploration is to be carried on or engaged in. The notice shall be filed prior to the actual commencement of the exploration.

**History:** En. Sec. 3, Ch. 235, L. 1955; amd. Sec. 34, Ch. 39, L. 1977; R.C.M. 1947, 69-3303.

**Cross-References**

Fees for recording by County Clerk, 7-4-2631.

Notice of intention to be filed with Board of Oil and Gas Conservation, 82-11-122.

**82-1-104. Surety bond — restoration of surface.** (1) Prior to performing such seismic activity, a person, firm, or corporation shall also file with the secretary of state a good and sufficient surety bond in the amount of $10,000 for a single such seismic crew or a blanket surety bond in the amount of $25,000 for all such seismic crews operating within the state for such person, firm, or corporation, which bond shall indemnify the owners of property within this state against such physical damages to such property as may arise as the result of such seismic exploration. Partial or complete forfeiture of the bond must be determined by the appropriate court of civil jurisdiction.

(2) Unless otherwise agreed as between the owner of the surface and such person, firm, or corporation, it shall be the obligation of such person, firm, or corporation upon completion of exploration to plug all "shot holes" in such a manner as shall be specified by the board of oil and gas conservation to contain any water within its native strata by filling the hole with bentonite mud, cement, or other material approved by the board of oil and gas conservation as required to contain the water and capping the same in a manner and with a material specified by the board, the top of which cap shall be of sufficient depth below the surface of the land to allow cultivation. The portion of the hole above the cap shall be filled with native material.

(3) Upon completion of any seismic exploration, the person, firm, or corporation shall remove all stakes, markers, cables, ropes, wires, and debris or other material used in such exploration and shall also restore the surface around any shot holes as near as practicable to its original condition.

(4) The bond shall remain on file with the secretary of state so long as the exploration is carried on or engaged in, plus an additional 5 years thereafter; provided, however, that the aggregate liability of the surety shall in no event exceed the amount of said bond. Upon the filing of such bond, said secretary of state shall issue to the person, firm, or corporation a certificate showing that such bond has been filed and showing the name of the designated resident agent within the state for service of process for such person, firm, or corporation.

**History:** En. Sec. 4, Ch. 235, L. 1955; amd. Sec. 1, Ch. 175, L. 1961; amd. Sec. 1, Ch. 272, L. 1977; R.C.M. 1947, 69-3304; amd. Sec. 2, Ch. 116, L. 1983; amd. Sec. 2, Ch. 339, L. 1985.

**Cross-References**

Accrual of cause of action for waste, trespass, or injury committed during exploration, 27-2-303.

Suretyship, Title 28, ch. 11, part 4.

Enforcement by County Attorney, 82-1-109.

Inventory of abandoned shot holes, 82-10-402.

Waste of oil and gas prohibited, 82-11-121.

Restrictions on oil and gas operations by Board of Oil and Gas Conservation, 82-11-123.

Requirements relating to waste preservation, 82-11-124.

**82-1-105. Exploration permit.** (1) Upon compliance with the provisions herein contained, namely the filing of a notice of intention to engage in the exploration and a certificate (or photostatic copy thereof) from the secretary of state certifying the name and address of the resident agent for service of process for the person, firm, or corporation desiring to engage in the exploration and certifying that the required surety bond has been filed with the secretary of state, the county clerk and recorder shall issue to the person, firm, or corporation a "geophysical exploration permit".

(2) The permit shall show:

(a) the name of the person, firm, or corporation and principal place of business;

(b) if a firm or corporation, the names and addresses of its officers;

(c) the name and address of the resident agent for service of process for the person, firm, or corporation;

(d) that a notice of intention to engage in geophysical exploration has been duly filed; and

(e) that a good and sufficient surety bond has been filed by the person, firm, or corporation, naming the surety company and giving its address.

(3) The permit shall be signed by the county clerk and recorder or his deputy and bear the official county seal. The permit shall be valid and effective for all geophysical crews of the permittee during the calendar year in which it is issued.

(4) The cost of the permit shall be $5 per calendar year or any portion thereof for which issued, and the revenues realized therefrom shall go to the county so issuing. Such funds as are realized shall be applied toward payment of the cost of printing the permits, which shall be printed at the county seat, and excesses shall go into the county's general fund.

(5) If printed forms are not available at the time any person, firm, or corporation desires the permit and qualifies for its issuance, typewritten or other form of reproduction of the permit may be used, the fee of $5 nevertheless shall be paid for its issuance, and this fee shall be disposed of in the same manner.

(6) The permit or a photostatic copy thereof shall be carried by the person or by the agent of the firm or corporation at all times during the period of the geophysical exploration and shall be exhibited upon demand of any county or state official.

**History:** **En. Sec. 5, Ch. 235, L. 1955; amd. Sec. 35, Ch. 39, L. 1977; R.C.M. 1947, 69-3305.**

**Cross-References**

Inventory of abandoned shot holes — approval of permits, 82-10-402.

**82-1-106. County clerk to notify board of issuance of permit — compliance.** (1) The county clerk and recorder of the county in which a permit for geophysical activity is issued will immediately forward notice of the issuance of such permit to the board of oil and gas conservation.

(2) The board shall notify the county clerk and recorder of the county if the person, firm, or corporation which has obtained a permit is not in compliance with any applicable requirement for engaging in geophysical activity within the state.

(3) If the board of oil and gas conservation determines that a person, firm, or corporation has violated any provisions of this part, the board shall take necessary action to assure compliance.

**History:** **En. 69-3305.1 by Sec. 2, Ch. 272, L. 1977; R.C.M. 1947, 69-3305.1(1) thru (3).**

**Cross-References**

Board of Oil and Gas Conservation — composition — allocation — quasi-judicial, 2-15-3303.

Notice of intention to be filed with Board of Oil and Gas Conservation, 82-11-122.

**82-1-107. Permitholder to furnish information to surface user.** (1) Before commencing seismic activity, the person, firm, or corporation shall notify the surface user as to the approximate time schedule of the planned activity, and upon request the following information shall also be furnished:

(a) the name and permanent address of the seismic exploration firm, along with the name and address of the firm's designated agent for the state if different from that of the firm;

(b) evidence of a valid permit to engage in seismic exploration;

(c) name and address of the company insuring the seismic firm or, if self-insured, evidence of such self-insurance;

(d) the number of the bond required in 82-1-104;

(e) a description of the planned seismic activity and where it will take place;

(f) anticipated need, if any, to obtain water from the surface user during planned seismic activity.

(2) The surface user is responsible for providing the permitholder with the name and permanent address of a responsible person with whom communication may be maintained.

**History: En. 69-3305.1 by Sec. 2, Ch. 272, L. 1977; R.C.M. 1947, 69-3305.1(4); amd. Sec. 3, Ch. 339, L. 1985.**

**82-1-108. Filing record of work performed.** (1) Within 3 months from the day any firing of shotpoints in seismic exploration is done by any person, firm, or corporation within this state, such person, firm, or corporation shall file with the county clerk and recorder of the county in which the work was done a record showing each township and range within the county in which the work was performed and the approximate date on which the work was performed.

(2) Such person, firm, or corporation shall file with the county clerk and recorder a record showing the location of each shotpoint and date fired within a maximum area of any square, 4-section area of land, upon written request of the county clerk and recorder. The request must be based upon the complaint of a property owner that physical damage to his property has resulted from the use of the seismograph and explosives in seismic operations at some location within the maximum 4-square mile area, and the request shall designate the name and address of the complaining person and the approximate date and nature of the alleged damages. The required record of operations in response to the request of the county clerk and recorder shall be supplied within 30 days from the date on which the request is received.

**History: En. Sec. 6, Ch. 235, L. 1955; R.C.M. 1947, 69-3306; amd. Sec. 1, Ch. 201, L. 1979; amd. Sec. 4, Ch. 339, L. 1985.**

**82-1-109. Enforcement by county attorneys.** It shall be the duty of the several county attorneys to see that the provisions herein contained are complied with and that this law is enforced.

**History: En. Sec. 7, Ch. 235, L. 1955; R.C.M. 1947, 69-3307.**

**82-1-110. Penalty.** A failure to comply with the terms of this part shall be deemed a misdemeanor and shall be punishable as is elsewhere provided in this code, either by fine or imprisonment, or both. The geophysical permit of any person, firm, or corporation convicted of a violation of the plugging requirements of this part shall be revoked and may not be renewed for a period of 2 years after conviction.

**History:** En. Sec. 8, Ch. 235, L. 1955; amd. Sec. 3, Ch. 272, L. 1977; R.C.M. 1947, 69-3308.

**Cross-References**

Definition of misdemeanor, 45-2-101.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

Misdemeanor penalty when no penalty specified, 46-18-212.

## Part 2

## Cancellation and Forfeiture of Oil, Gas, or Mineral Leases

**Part Cross-References**

Landlord and tenant, Title 70, ch. 26.

**82-1-201. Release of record upon forfeiture, cancellation, or expiration of lease — penalty.** (1) When any oil, gas, or other mineral lease heretofore or hereafter executed and recorded is forfeited, canceled, or expires, it shall be the duty of the lessee, his successor, or assigns, within 60 days from the date of such forfeiture, cancellation, or expiration of any and all leases, to have such lease or abstract of such lease released from record in the county where the leased land is situated without cost to the owner thereof.

(2) A lessee who fails to comply with subsection (1) within 30 days of written notice from the lessor is guilty of a misdemeanor punishable by a fine of up to $250.

**History:** En. Sec. 1, Ch. 22, L. 1917; re-en. Sec. 6902, R.C.M. 1921; re-en. Sec. 6902, R.C.M. 1935; amd. Sec. 5, Ch. 218, L. 1971; R.C.M. 1947, 73-114; amd. Sec. 1, Ch. 365, L. 1985.

**Cross-References**

Misdemeanor defined, 45-2-101.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

**82-1-202. Action to compel release — procedure without court action.** (1) If the lessee or assignee thereof neglects or refuses to execute a release as provided by this part, the owner of the leased premises may sue in any court of competent jurisdiction to obtain the release, and in such action he also may recover from the lessee, his successor, or assigns the sum of $100 as damages, all costs, together with a reasonable attorney's fee for preparing and prosecuting the suit, and any additional damages that the evidence in the case warrants. Writs of attachment may issue as in other cases. If in the action the plaintiff fails to establish the forfeiture of the lease, an attorney's fee must be allowed to the lessee or assignee of the lease. Issues in regard to attorney's fees shall be determined in the same manner as other issues in such actions.

(2) When, by its terms, an oil or gas lease has expired and is subject to forfeiture for nonperformance and more than 3 years have elapsed since the

expiration, the owner of the leased premises, in addition to all other remedies, may serve a written notice on the lessee or on the assignee thereof, which notice shall state:

(a) the names of the lessor, lessee, and assignee thereof if assigned;

(b) the date of the lease and the date of the expiration thereof;

(c) the description of the lands leased;

(d) the place, book, and page where the lease is recorded; and

(e) that if the lessee or assignee fails to execute a release of record of the lease or abstract of the lease, the lease shall be terminated and of no effect and shall cease to be a lien upon the lands described therein, unless the lessee or the assignee thereof, within 60 days from the date of service of the notice, files, in the county clerk's office in the county where the lease or abstract of such lease is recorded, an affidavit stating that the lease is in effect and delivers a copy thereof to the owner of the leased lands.

(3) If the lessee or the assignee thereof resides in the county where the lease or abstract of the lease is recorded, the notice shall be personally served on that person. If the lessee or the assignee thereof does not reside in that county but his address appears on the records in that county clerk's office or is otherwise known, the notice shall be mailed by certified mail to that person at that address, and in addition thereto the notice shall be published once a week for 2 consecutive weeks in a newspaper of general circulation in the county in which the lands are situated. If the address of the lessee or assignee is unknown, the notice shall be published in the manner provided above. The date of service of the notice, if served personally, the date of mailing, if served by mail, and the first date of publication of the notice, if published, must be at least 60 days before the date of termination referred to in the notice.

(4) Upon the expiration of the time mentioned in the notice, if the affidavit of the lessee or assignee has not been filed as herein provided, the owner of the leased lands shall file an affidavit of service of the notice in the county clerk's office of the county in which the lands are located, and the affidavit shall be kept as a permanent file in his office, and this proof of notice when so filed is prima facie evidence of the sufficiency of the notice, and from the filing thereof the lease is terminated and the lands released from the lien thereof.

**History: En. Sec. 2, Ch. 22, L. 1917; re-en. Sec. 6903, R.C.M. 1921; amd. Sec. 1, Ch. 18, L. 1929; re-en. Sec. 6903, R.C.M. 1935; amd. Sec. 1, Ch. 146, L. 1947; amd. Sec. 6, Ch. 218, L. 1971; amd. Sec. 36, Ch. 39, L. 1977; R.C.M. 1947, 73-115.**

**Cross-References**

Original jurisdiction of District Courts, 3-5-302.

Prejudgment Writs of Attachment, Title 27, ch. 18.

Quieting title to real property generally, Title 70, ch. 28, part 1.

**82-1-203. Demand for release prior to action.** At least 20 days before bringing the action provided for in this part, the owner of the leased land, either by himself or by his agent or attorney, shall demand of the holder of the lease, if such demand by ordinary diligence can be made in this state, that said lease or abstract of such lease be released of record. Such demand must be written. When written, a copy thereof, when shown to be such, may be used as evidence in any court with the same force and effect as the original.

**History: En. Sec. 3, Ch. 22, L. 1917; re-en. Sec. 6904, R.C.M. 1921; re-en. Sec. 6904, R.C.M. 1935; amd. Sec. 7, Ch. 218, L. 1971; R.C.M. 1947, 73-116; amd. Sec. 189, Ch. 575, L. 1981.**

**82-1-204. Joinder of plaintiffs in actions concerning oil and gas leases.** (1) In an action for the cancellation of an oil and/or gas lease or leases or quieting title against the claims thereunder, two or more plaintiffs may join in a single action against a common lessee and any one claiming by, through, or under such lessee as an assignee or otherwise. In the complaint in such action the cause or causes of action of each plaintiff shall be set forth separately and there shall be designated the lease or leases or claims or interests sought to be canceled or quieted. It shall be no defense to such an action that the lands of the plaintiffs are noncontiguous or that there is a lack of mutuality of interest between the plaintiffs in the subject of the action or in the relief sought, and the decree in such action shall specify the lease, leases, claims, or interests canceled or quieted.

(2) This procedure shall be in addition to and not in substitution of any existing remedies now allowed by law.

**History: En. Secs. 1, 2, Ch. 135, L. 1939; R.C.M. 1947, 93-2813, 93-2814.**

**Cross-References**

Joinder of persons needed for just adjudication, Rule 19, M.R.Civ.P. (see Title 25, ch. 20).

Permissive joinder of parties, Rule 20, M.R.Civ.P. (see Title 25, ch. 20).

Quieting title to property generally, Title 70, ch. 28, part 1.

## Part 3

## Trusts for Unlocatable Mineral Owners

**82-1-301. Definition.** The word "person", as used in this part, shall mean any individual, corporation, partnership, joint venture, trust or other entity capable of owning real property in Montana.

**History: En. Sec. 6, Ch. 513, L. 1979.**

**82-1-302. Creation of trust for unlocatable mineral, leasehold, or royalty interest owners.** (1) Any person who owns an interest in minerals underlying a tract of land may petition the district court of the county in which the tract or a portion of the tract is located to declare a trust in favor of a person or persons also owning or claiming an interest in the minerals underlying the tract if their place of residence and present whereabouts is unknown and cannot reasonably be ascertained.

(2) In requesting the appointment of a trustee, the petitioner must show that:

(a) a diligent but unsuccessful effort to locate the absent owner or claimant has been made; and

(b) appointment of a trustee will be in the best interest of all owners of interest in the minerals.

(3) After determining that the conditions of subsection (2) have been met, the court shall appoint the clerk of court as a trustee and shall authorize him to execute and deliver an oil, gas, or other mineral lease, a ratification, division order, or other related document or instrument on such terms and conditions as the court may approve.

**History: En. Sec. 1, Ch. 513, L. 1979.**

**Cross-References**

Duties of trustees, Title 72, ch. 34, part 1.

**82-1-303. No further liability for petitioner.** If a trust in favor of unlocatable owners or claimants of an interest in minerals has been created and all bonuses, rental payments, royalties, and other income due to the unlocatable owners are being or have been paid to the trustee, the person petitioning for creation of the trust is not liable for further claims by unlocatable owners for bonuses, rental payments, royalties, and other income produced after the creation of the trust.

**History:** **En. Sec. 2, Ch. 513, L. 1979; amd. Sec. 190, Ch. 575, L. 1981.**

**82-1-304. Administration of the trust.** (1) The administration of the trust shall comply with the appropriate provisions regulating trusts contained in Title 72.

(2) No trustee or attorney fees may be paid from the trust proceeds.

(3) All bonuses, rental payments, royalties, and other income shall be paid to the trustee until the trust is terminated and notice of its termination given to all interested parties. The trustee shall distribute all money held in the trust to the person or persons entitled to it upon the order of the district court.

(4) A trust in favor of unlocatable owners shall be in force until the unlocatable owners of the mineral interest in question have successfully claimed the share of funds held in trust and filed the notice provided in 82-1-306.

(5) The trustee shall invest funds under his management in the manner of a prudent man, as provided in 72-34-114. Fifty percent of the interest earned on each trust shall be credited to the general fund of the county in which the mineral interest is located to defray the costs of administration.

(6) Funds held in the trusts are subject to the provisions governing abandoned property contained in Title 70, chapter 9.

**History:** **En. Sec. 3, Ch. 513, L. 1979; amd. Sec. 219, Ch. 685, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of first sentence of (5) substituted "provided in 72-34-114" for "defined in 72-21-104".

**82-1-305. Existing trust for unlocatable mineral, leasehold, and royalty interest owners — transfer of trustees — penalty.** (1) Any bonuses, rental payments, royalties, and other income now held by any person or association for unlocatable owners or claimants of an interest in minerals underlying a tract of land must be deposited with the clerk of the district court in which the tract is located within 6 months after July 1, 1979. An accounting for the funds, any related documents, and any instrument creating a trust must be filed with the funds.

(2) No person may personally hold for longer than 6 months any bonuses, rental payments, royalties, and other income for unlocatable owners or claimants of an interest in minerals, but in such case must petition the district court for creation of a trust as provided in 82-1-302.

(3) If any person fails to comply with subsections (1) or (2), he is liable for all attorney fees and court costs and interest on such funds at twice the current average passbook account rate paid by financial institutions in that district.

**History:** **En. Sec. 4, Ch. 513, L. 1979.**

**82-1-306. Filing of addresses.** Upon the payment of a $5 fee, any person claiming an interest in minerals underlying a tract of land which is the subject of a trust proceeding under 82-1-302 may file with the clerk and recorder of each county wherein the mineral interests lie a notice of his address and the legal description of his interest and thereby establish a rebuttable presumption that such person owns the interest claimed.

**History:** **En. Sec. 5, Ch. 513, L. 1979.**

**Cross-References**

Presumptions, Art. III, Montana Rules of Evidence (see Title 26, ch. 10).

# CHAPTER 2

# MINING GENERALLY

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**Chapter Cross-References**

Inability of local government to interfere with Department of State Lands determinations, 7-1-111.

Restrictions on city annexation power, 7-2-4503, 7-2-4608.

Recording of affidavits of work done on mining claims, 7-4-2613.

Classification of property for taxation, Title 15, ch. 6, part 1.

Mines taxation — general property and net proceeds tax, Title 15, ch. 23, part 5.

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Mining and oil companies — fraudulent handling of finances, 30-14-701.

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Definitions and nature of property — fixtures attached to mines, 70-15-104.

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Marking land and mining claims in national forest, 81-4-218.

## Part 1

## Location and Record of Claims

**82-2-101. Manner of locating claim.** Any person who discovers upon the public domain of the United States, within the state of Montana, a vein, lode, or ledge of rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposits or a placer deposit of gold or other deposit of minerals having a commercial value which is subject to entry and patent under the mining laws of the United States may, if qualified by the laws of the United States, locate a mining claim upon such vein, lode, ledge, or deposit in the following manner:

(1) He shall post conspicuously at the point of discovery a written or printed notice of location containing the name of the claim, the name of the locator or locators, if there be more than one, the date of the location, which shall be the date of posting such notice, and the approximate dimensions of area of the claim intended to be appropriated.

(2) Within 30 days after posting the notice of location, he shall distinctly mark the location on the ground so that its boundaries can be readily traced. It shall be prima facie evidence that the location is properly marked if the boundaries are defined by a monument at each corner or angle of the claim, consisting of any one of the following kinds:

(a) a tree at least 8 inches in diameter and blazed on four sides;

(b) a post at least 4 inches square by 4 feet 6 inches in length, set 1 foot in the ground, unless solid rock should occur at a less depth, in which case the post should be set upon such rock and surrounded in all cases by a mound of earth or stone at least 4 feet in diameter by 2 feet in height. A squared stump of the requisite size, surrounded by such mound, shall be deemed the equivalent of a post and mound.

(c) a stone at least 6 inches square by 18 inches in length, set two-thirds of its length in the ground, with a mound of earth or stone alongside at least 4 feet in diameter by 2 feet in height; or

(d) a boulder at least 3 feet above the natural surface of the ground on the upper side. Where other monuments or monuments of lesser dimensions than those above described are used, it shall be a question for the jury or for the court where the action is tried without a jury as to whether the location has been marked upon the ground so that its boundaries can be readily traced. Whatever monument is used, it must be marked with the name of the claim and the designation of the corner, either by number or cardinal point.

(3) Within 60 days after posting such notice, the locator shall comply with the United States mining laws.

**History: En. Sec. 3610, Pol. C. 1895; en. Sec. 1, Ch. 16, L. 1907; Sec. 2283, Rev. C. 1907; re-en. Sec. 7365, R.C.M. 1921; Cal. Civ. C. Sec. 1426; re-en. Sec. 7365, R.C.M. 1935; amd. Sec. 1, Ch. 4, Ex. L. 1971; R.C.M. 1947, 50-701.**

**Cross-References**

Marking land and mining claims in national forest, 81-4-218.

Defective locations good against persons with notice, 82-2-112.

Filing of false mining claims, 82-2-115.

**82-2-102. Record of certificate of location.** (1) Within 60 days after posting the notice of location, the locator shall record his location in the office of the county clerk of the county in which the mining claim is situated, and within 20 days thereafter, the county clerk shall provide a copy thereof to the department of state lands, Helena, Montana. The record shall consist of a certificate of location for each claim containing:

(a) the name of the lode or claim and whether located as a lode or placer claim;

(b) the name of the locator or locators, if there be more than one, together with the post-office address of such locator or locators;

(c) the date of location and the description of the claim, with reference to some natural object or permanent monument, as will identify the claim and the section, township, and range wherein the claim is situated by projected survey lines, if located in unsurveyed country;

(d) the directions and distances from the discovery point which describe the claim.

(2) The certificate of location must be verified before some officer authorized to administer oaths by the locator or one of the locators, if there be more than one, or by authorized agent. In the case of a corporation, the verification may be made by any officer thereof or by an authorized agent. When the verification is made by an agent, the fact of the agency shall be stated in the affidavit. A certificate of location so verified or a certified copy thereof is prima facie evidence of all facts properly recited therein. Failure of the locator or locators to record a certificate of location as herein required shall create a prima facie presumption of intent to abandon. However, recordation after the 60-day period but before the ground is located by another renews the location and saves the rights of the original locator. Nothing contained in 82-2-112 affects the prima facie presumption created by this section.

**History:** **En. Sec. 3612, Pol. C. 1895; amd. Sec. 2, p. 141, L. 1901; amd. Sec. 2, Ch. 16, L. 1907; Sec. 2284, Rev. C. 1907; re-en. Sec. 7366, R.C.M. 1921; re-en. Sec. 7366, R.C.M. 1935; amd. Sec. 2, Ch. 4, Ex. L. 1971; amd. Sec. 1, Ch. 428, L. 1973; R.C.M. 1947, 50-702.**

**Cross-References**

Clerk's duty to record notice of location, 7-4-2613.

Filing of false mining claims, 82-2-115.

**82-2-103. Affidavit of performance of annual work.** (1) The owner of a lode or placer claim who performs or causes to be performed the annual work or makes the improvements required by the laws of the United States, as permitted and defined by laws of the United States, in order to prevent the forfeiture of the claim, must, within 90 days after the expiration of the federal annual assessment work period, file in the office of the county clerk of the county in which such claim or claims is situated an affidavit of his own or an affidavit of the person who performed such work or made the improvements, showing:

(a) the name of the mining claim or claims;

(b) the location of the claim or claims by section, township, and range, by projected survey lines if located in unsurveyed country;

(c) the book and page numbers wherein the original or latest amended relocation for each claim is recorded;

(d) the number of days' work done and the character and value of the improvements placed thereon or the verified report required by United States mining law if geological, geophysical, or geochemical work or labor is being relied upon;

(e) the dates between which such work or improvements were effected;

(f) at whose instance the work was done or the improvements made;

(g) the actual amount paid for work and improvements and by whom paid when the same was not done by the owner.

(2) Annual assessment work may be performed or caused to be performed at one or more points within a group of contiguous claims and may be utilized

to satisfy annual assessment work requirements upon the group of contiguous claims. Said point or points of work may be performed upon a patented claim. If annual assessment work is performed or caused to be performed at one or more points within a group of contiguous claims, the affidavit of performance of assessment work must be filed for the group of claims. The affidavit, in addition to requirements established by this section for affidavits of performance of assessment work, must contain a description and location of the work done upon the group at a point or points within the group, the specific names of all the claims in the group for whose benefit the work was performed, and the total cost of the work performed.

(3) If group work is claimed for a group of claims crossing county lines, the affidavit required by this section shall be filed for recording within the required time in each of the counties in which such claims are located.

(4) An affidavit of performance of annual assessment work must be verified before some officer authorized to administer oaths by the locator or one of the locators, if there be more than one, or by authorized agent. In the case of a corporation, the verification may be made by any officer thereof or by an authorized agent. When the verification is made by an agent, the fact of the agency shall be stated in the affidavit. Such affidavit or a certified copy thereof is prima facie evidence of the facts therein stated. The failure to file such affidavits within the period allowed therefor shall be prima facie evidence that such labor has not been performed and that the owner of the claim or claims has abandoned and surrendered same.

**History:** **En. Sec. 1483, 5th Div. Comp. Stat. 1887; amd. Sec. 3614, Pol. C. 1895; re-en. Sec. 7368, R.C.M. 1921; Cal. Civ. C. Sec. 1426m; re-en. Sec. 7368, R.C.M. 1935; amd. Sec. 3, Ch. 4, Ex. L. 1971; amd. Sec. 1, Ch. 312, L. 1973; amd. Sec. 1, Ch. 112, L. 1974; R.C.M. 1947, 50-704.**

**Cross-References**

Clerk's duty to record affidavit of performance, 7-4-2613.

Clerk's duty to maintain index of affidavits of performance, 7-4-2619.

Fee for recording and indexing affidavits of performance, 7-4-2631.

**82-2-104. Millsites.** Millsite claims may be located and recorded in the same manner as other claims, except that no discovery or discovery work is required. Where a millsite claim is appurtenant to a mining claim, the certificate of location of such millsite claim shall describe, by appropriate reference, the mining claim to which it is appurtenant.

**History:** **En. Sec. 3, Ch. 16, L. 1907; Sec. 2285, Rev. C. 1907; re-en. Sec. 7369, R.C.M. 1921; re-en. Sec. 7369, R.C.M. 1935; R.C.M. 1947, 50-705.**

**82-2-105. Relocation of abandoned claim.** The relocator of an abandoned or forfeited mining claim may adopt as his discovery any shaft or other working existing upon such claim at the date of the relocation in which the vein, lode, or deposit is disclosed, but in such shaft or other working, he shall perform the same discovery work as is required in the case of an original location.

**History:** **En. Sec. 4, Ch. 16, L. 1907; Sec. 2286, Rev. C. 1907; re-en. Sec. 7370, R.C.M. 1921; re-en. Sec. 7370, R.C.M. 1935; R.C.M. 1947, 50-706.**

**82-2-106. Rights of relocator.** The rights of a relocator of any abandoned or forfeited mining claim hereafter relocated shall date from the posting of his notice of location thereon, and while he is duly performing the acts required by law to perfect his location, his rights shall not be affected by any reentry or resumption of work by the former locator or claimant.

**History:** En. Sec. 5, Ch. 16, L. 1907; Sec. 2287, Rev. C. 1907; re-en. Sec. 7371, R.C.M. 1921; re-en. Sec. 7371, R.C.M. 1935; R.C.M. 1947, 50-707.

**82-2-107. Amended location.** A locator or claimant may at any time amend his location and make any change in the boundaries which does not involve a change in the point of discovery as shown by the discovery shaft by marking the location as amended upon the ground and filing an amended certificate of location conforming to the requirements of an original certificate of location. A defect in a recorded certificate of location may be cured by filing an amended certificate.

**History:** En. Sec. 6, Ch. 16, L. 1907; Sec. 2288, Rev. C. 1907; re-en. Sec. 7372, R.C.M. 1921; re-en. Sec. 7372, R.C.M. 1935; R.C.M. 1947, 50-708.

**Cross-References**

Amended locations, 82-2-114.

**82-2-108. Relocation by owner.** A locator or claimant may at any time relocate his own claim for any purpose, except to avoid the performance of annual labor thereon, and, by such relocation, may change the boundaries of his claim or the point of discovery, or both, but such relocation must comply in all respects with the requirements of this law as to an original location.

**History:** En. Sec. 7, Ch. 16, L. 1907; Sec. 2289, Rev. C. 1907; re-en. Sec. 7373, R.C.M. 1921; re-en. Sec. 7373, R.C.M. 1935; R.C.M. 1947, 50-709.

**82-2-109. Amendment or relocation not a waiver of acquired rights.** Where a locator or claimant amends or relocates his own claim, such amendment or relocation shall not be construed as a waiver of any right or title acquired by him by virtue of the previous location or record thereof, except as to such portions of the previous location as may be omitted from the boundaries of the claim as amended or relocated. As to the portion of ground included both in the original location and the location as amended or relocated, he may rely either upon the original location or the location as amended or relocated or upon both; provided that nothing herein contained shall be construed as permitting the locator or claimant to hold a tract which does not include a valid discovery.

**History:** En. Sec. 8, Ch. 16, L. 1907; Sec. 2290, Rev. C. 1907; re-en. Sec. 7374, R.C.M. 1921; re-en. Sec. 7374, R.C.M. 1935; R.C.M. 1947, 50-710.

**82-2-110. Rights of third persons not affected.** No amendment or relocation of a mining claim by the locator or claimant thereof shall interfere with any third person's right existing at the time of such amendment or relocation.

**History:** En. Sec. 9, Ch. 16, L. 1907; Sec. 2291, Rev. C. 1907; re-en. Sec. 7375, R.C.M. 1921; re-en. Sec. 7375, R.C.M. 1935; R.C.M. 1947, 50-711.

**82-2-111. Validating locations already made.** All mining locations made and recorded under the laws of this state heretofore in force that in any respect have failed to conform to the requirements of such laws shall, nevertheless, in the absence of the rights of third persons accruing prior to the passage of this part, be valid if the making and recording of such locations conform to the requirements of this part.

**History:** En. Sec. 10, Ch. 16, L. 1907; Sec. 2292, Rev. C. 1907; re-en. Sec. 7376, R.C.M. 1921; re-en. Sec. 7376, R.C.M. 1935; R.C.M. 1947, 50-712.

**82-2-112. Defective locations good against persons with notice.** The period of time prescribed by this law for the performance of any act shall not be deemed mandatory where the act is performed before the rights of third persons have intervened, and no defect in the posted notice or recorded certificate shall be deemed material, except as against one who has located the same ground or some portion thereof in good faith and without notice. Notice to an agent who makes a location in behalf of another shall be deemed notice to his principal, and notice to one of several coclaimants shall be deemed notice to all.

**History:** En. Sec. 11, Ch. 16, L. 1907; Sec. 2293, Rev. C. 1907; re-en. Sec. 7377, R.C.M. 1921; re-en. Sec. 7377, R.C.M. 1935; R.C.M. 1947, 50-713.

**Cross-References**

Record of certificate of location, 82-2-102.

**82-2-113. Effect of patent.** The issuance of a United States patent for a mining claim is considered conclusive evidence that the requirements of the laws of this state relative to the location and record of such mining claim have been duly complied with. However, if questions of priority are involved, the date of the location shall be an issuable fact when it is claimed to have been prior to the date of the record of the location.

**History:** En. Sec. 12, Ch. 16, L. 1907; Sec. 2294, Rev. C. 1907; re-en. Sec. 7378, R.C.M. 1921; re-en. Sec. 7378, R.C.M. 1935; amd. Sec. 10, Ch. 39, L. 1977; R.C.M. 1947, 50-714.

**Cross-References**

List of conclusive presumptions, 26-1-601.

Presumptions in general, Rule 301, Montana Rules of Evidence (see Title 26, ch. 10).

**82-2-114. Amended locations.** If, at any time, the locator of any mining claim heretofore or hereafter located or his successors or assigns shall apprehend that his original declaratory statement was defective or erroneous or that the requirements of law had not been complied with or shall be desirous of changing his boundaries or taking in any part of an overlapping claim which has been abandoned or in case his original declaratory statement was filed prior to the passage of this law and he shall be desirous of securing the benefit of this part, such locator or his successors or assigns may file an additional or amended declaratory statement subject to the provisions of this part; provided that such relocation or filing of the amended or additional declaratory statement shall not interfere with the existing rights of others at the time of such relocation or filing of the amended or additional declaratory statement, and no such relocation or amended or additional declaratory statement or other record thereof shall preclude the claimant or claimants from proving any such title as he or they may have held under the previous location and notice thereof.

**History:** En. Sec. 1, p. 56, L. 1901; re-en. Sec. 2295, Rev. C. 1907; re-en. Sec. 7379, R.C.M. 1921; Cal. Civ. C. Sec. 1426h; re-en. Sec. 7379, R.C.M. 1935; R.C.M. 1947, 50-715.

**Cross-References**

Amended location, 82-2-107.

**82-2-115. Filing of false mining claims.** Every person who shall offer any location certificate for a placer mining claim or lode claim or affidavit of assessment work to be filed in an office of a county clerk of this state on behalf of himself or for any other person or any person who shall procure others to do so, knowing that such claim or certificate or affidavit was not preceded by a proper location of the claim physically upon the ground by the establishment of a proper notice of claim and the designation of the surface boundaries of the claim by substantial posts or monuments as required by the laws of the state, shall be punished by imprisonment in the state penitentiary for not more than 5 years or by a fine of not more than $5,000 or by both.

**History: En. Sec. 1, Ch. 135, L. 1973; R.C.M. 1947, 50-702.1.**

**Cross-References**

Felony defined, 45-2-101.

## Part 2

## Rights-of-Way and Eminent Domain

**Part Cross-References**

General provisions of eminent domain, Title 70, ch. 30.

**82-2-201. Right-of-way of owners of mines.** The owner of a mining claim held under the laws of the United States by patent or otherwise or under the local laws and customs of the state has a right-of-way over and across the land or mining claim of another, patented or otherwise, as prescribed in this part.

**History: En. Sec. 1, p. 597, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 886, 5th Div. Rev. Stat. 1879; re-en. Sec. 1495, Comp. Stat. 1887; amd. and re-en. Sec. 3630, Pol. C. 1895; re-en. Sec. 2297, Rev. C. 1907; re-en. Sec. 7382, R.C.M. 1921; re-en. Sec. 7382, R.C.M. 1935; R.C.M. 1947, 50-801.**

**Cross-References**

Location and record of claims, Title 82, ch. 2, part 1.

**82-2-202. Road or ditch right-of-way.** Whenever a mine or mining claim is so situated that it cannot be conveniently worked without a road thereto or a ditch to convey water thereto or a ditch or a cut to convey the water therefrom or without a flume to carry water and tailings therefrom or without a shaft or tunnel thereto, which road, ditch, cut, flume, or tunnel must necessarily pass over, under, through, or across any lands or mining claims owned or occupied by another, such owner is entitled to a right-of-way for said road, ditch, cut, flume, shaft, or tunnel over, under, through, and across the lands or mining claims belonging to another, upon compliance with the provisions of this part.

**History: En. Sec. 2, p. 597, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 887, 5th Div. Rev. Stat. 1879; re-en. Sec. 1496, Comp. Stat. 1887; amd. and re-en. Sec. 3631, Pol. C. 1895; re-en. Sec. 2298, Rev. C. 1907; re-en. Sec. 7383, R.C.M. 1921; re-en. Sec. 7383, R.C.M. 1935; R.C.M. 1947, 50-802.**

**Cross-References**

Highways — acquisition of property, Title 60, ch. 4, part 1.

Interference with canal or ditch easements, 70-17-112.

Easements over state lands, Title 77, ch. 2, part 1.

**82-2-203. Proceedings to obtain right-of-way.** Whenever such owner desires to work a mine or mining claim and it is necessary to enable him to do so successfully and conveniently that he should have a right-of-way for any of the purposes mentioned in the foregoing sections and if such right-of-way has not been acquired by agreement between him and the owner of the land or claims over, under, across, and upon which he seeks to establish such right-of-way, it is lawful for him to present to the judge of the district court a complaint asking that such right-of-way be awarded to him. The complaint must be verified and contain a particular description of the character and extent of the right sought, a description of the mine or mining claim of the owner, and the mining claim or claims and the lands to be affected by such right-of-way, with the names of the occupants or owners thereof, and may also set forth any tender or offer hereinafter mentioned.

**History: En. Sec. 3, p. 597, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 888, 5th Div. Rev. Stat. 1879; re-en. Sec. 1497, Comp. Stat. 1887; amd. and re-en. Sec. 3632, Pol. C. 1895; re-en. Sec. 2299, Rev. C. 1907; re-en. Sec. 7384, R.C.M. 1921; re-en. Sec. 7384, R.C.M. 1935; R.C.M. 1947, 50-803.**

**Cross-References**

Easements over state lands, Title 77, ch. 2, part 1.

**82-2-204. Proceedings before the court.** Upon the receipt of the complaint and filing thereof with the clerk of the court, the judge must direct a summons to issue to the defendants named in the complaint requiring them to appear before the judge on a day therein named, which must be not less than 10 days from the service thereof, and show cause why such right-of-way should not be allowed. The summons may be served on each of the parties in the manner prescribed by law for serving summons in other actions.

**History: En. Sec. 4, p. 598, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 889, 5th Div. Rev. Stat. 1879; re-en. Sec. 1498, Comp. Stat. 1887; amd. and re-en. Sec. 3633, Pol. C. 1895; re-en. Sec. 2300, Rev. C. 1907; re-en. Sec. 7385, R.C.M. 1921; re-en. Sec. 7385, R.C.M. 1935; R.C.M. 1947, 50-804.**

**Cross-References**

Service of summons, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

**82-2-205. Court order and appointment of commissioners.** Upon the return of the summons or upon any day to which the hearing is adjourned, the defendants may answer, and issue must be joined, and the judge must hear the allegations and proofs of the respective parties. If, upon such hearing, the judge is satisfied that the claims of the plaintiff can be worked conveniently only by means of the privilege asked for, he must make an order adjudging and awarding to the plaintiff such right-of-way and must appoint three commissioners who are disinterested persons and residents of the county to assess the damages to the lands or claims affected by such order.

**History: En. Sec. 5, p. 598, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 890, 5th Div. Rev. Stat. 1879; re-en. Sec. 1499, Comp. Stat. 1887; amd. and re-en. Sec. 3634, Pol. C. 1895; re-en. Sec. 2301, Rev. C. 1907; re-en. Sec. 7386, R.C.M. 1921; re-en. Sec. 7386, R.C.M. 1935; amd. Sec. 11, Ch. 39, L. 1977; R.C.M. 1947, 50-805.**

**82-2-206. Commissioners to assess damages.** The commissioners must be sworn to faithfully and impartially discharge their duties and must without delay examine the property, lands, and claims and assess the damages resulting from such right-of-way and report the amount to the judge, and if such right-of-way affects the property of more than one person, such report must contain an assessment of damages to each person.

**History:** En. Sec. 6, p. 598, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 891, 5th Div. Rev. Stat. 1879; re-en. Sec. 1500, Comp. Stat. 1887; amd. and re-en. Sec. 3635, Pol. C. 1895; re-en. Sec. 2302, Rev. C. 1907; re-en. Sec. 7387, R.C.M. 1921; re-en. Sec. 7387, R.C.M. 1935; R.C.M. 1947, 50-806.

**Cross-References**

Damages, Title 27, ch. 1, part 2.

Measure of damages, Title 27, ch. 1, part 3.

Assessing compensation, 70-30-302.

**82-2-207. Power to set aside commissioners' report.** For good cause shown, the judge may set aside the report of the commissioners and appoint three other commissioners.

**History:** En. Sec. 7, p. 599, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 892, 5th Div. Rev. Stat. 1879; re-en. Sec. 1501, Comp. Stat. 1887; amd. and re-en. Sec. 3636, Pol. C. 1895; re-en. Sec. 2303, Rev. C. 1907; re-en. Sec. 7388, R.C.M. 1921; re-en. Sec. 7388, R.C.M. 1935; R.C.M. 1947, 50-807.

**Cross-References**

Appeal to District Court from assessment of Commissioners, 70-30-304.

**82-2-208. Right-of-way to commence upon payment of assessed damages.** Upon the payment of the sum assessed as damages and all costs to the persons to whom it is awarded or the payment of the same to the clerk for the use of such person, plaintiff is entitled to the right-of-way and may immediately proceed to occupy the same and to erect thereon such works and structures and make therein such excavations as may be necessary to the use and enjoyment of the right-of-way so awarded.

**History:** En. Sec. 8, p. 599, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 893, 5th Div. Rev. Stat. 1879; re-en. Sec. 1502, Comp. Stat. 1887; amd. and re-en. Sec. 3637, Pol. C. 1895; re-en. Sec. 2304, Rev. C. 1907; re-en. Sec. 7389, R.C.M. 1921; re-en. Sec. 7389, R.C.M. 1935; R.C.M. 1947, 50-808.

**Cross-References**

Allowable costs, Title 25, ch. 10, part 2.

Damages, Title 27, ch. 1, part 2.

Measure of damages, Title 27, ch. 1, part 3.

**82-2-209. Appeal from assessment of damages.** An appeal from the assessment of damages made by the commissioners may be taken to the district court by any party interested at any time within 10 days after the filing of the report of the commissioners. A written notice of appeal must be filed with the clerk and served upon the opposite party.

**History:** En. Sec. 9, p. 599, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 894, 5th Div. Rev. Stat. 1879; re-en. Sec. 1503, Comp. Stat. 1887; amd. and re-en. Sec. 3638, Pol. C. 1895; re-en. Sec. 2305, Rev. C. 1907; re-en. Sec. 7390, R.C.M. 1921; re-en. Sec. 7390, R.C.M. 1935; R.C.M. 1947, 50-809.

**Cross-References**

Costs, Title 25, ch. 10.

**82-2-210. Trial on appeal and costs.** On appeal, the question of the amount of damages may be tried by the court or jury as in other cases. If the appellant recovers damages exceeding the amount awarded by the commissioners, the opposite party must pay the costs of appeal, otherwise the appellant.

**History:** En. Sec. 10, p. 599, Cod. Stat. 1871, on Jan. 12, 1872; re-en. Sec. 895, 5th Div. Rev. Stat. 1879; re-en. Sec. 1504, Comp. Stat. 1887; amd. and re-en. Sec. 3639, Pol. C. 1895; re-en.

**Sec. 2306, Rev. C. 1907; re-en. Sec. 7391, R.C.M. 1921; re-en. Sec. 7391, R.C.M. 1935; R.C.M. 1947, 50-810.**

**Cross-References**
Trials, Title 25, ch. 7.
Costs, Title 25, ch. 10.

**82-2-211. Payment of costs.** All costs and expenses of the proceedings under the provisions of this part, except as provided in 82-2-210, must be paid by the plaintiff or party making the application. The judge may, if the right-of-way asked for is denied, allow the opposite party a reasonable counsel fee.

**History: En. Sec. 3640, Pol. C. 1895; re-en. Sec. 2307, Rev. C. 1907; re-en. Sec. 7392, R.C.M. 1921; re-en. Sec. 7392, R.C.M. 1935; R.C.M. 1947, 50-811.**

**Cross-References**
Costs, Title 25, ch. 10.

**82-2-212. Appeal to supreme court.** An appeal to the supreme court may be taken by either party as in other cases.

**History: En. Sec. 3641, Pol. C. 1895; re-en. Sec. 2308, Rev. C. 1907; re-en. Sec. 7393, R.C.M. 1921; re-en. Sec. 7393, R.C.M. 1935; R.C.M. 1947, 50-812.**

**Cross-References**
Supreme Court jurisdiction, Title 3, ch. 2, part 2.
Appeal to Supreme Court, Title 25, ch. 12.
Appeal from a District Court to the Supreme Court, Rule 72, M.R.Civ.P. (see Title 25, ch. 20).
Appeals from judgments and orders of the District Courts, Rules 4 through 16, M.R.App.P. (see Title 25, ch. 21).

**82-2-213 through 82-2-220 reserved.**

**82-2-221. Eminent domain for open-pit mining — purchase of property required.** Whenever the right of eminent domain is exercised to acquire estates and rights in land for the purpose of open-pit mining of the ores, metals, or minerals owned by the plaintiff, the decree shall be granted on condition that the plaintiff protects the public in the immediate area by agreeing to purchase all property within 300 yards of the surface tract condemned, including vacant lots, provided the owner or owners thereof serve upon the plaintiff and file with the court a written offer stating the amount asked for such property within 30 days from the entry of the court order appointing commissioners in said eminent domain proceeding. In the event the plaintiff and the owner or owners are unable to agree upon the compensation to be paid for such property, the court, upon petition of either party, may proceed to determine the compensation to be paid for such property in the manner prescribed in Title 70, chapters 30 and 31, as amended, for ascertaining the value of property taken through the exercise of the right of eminent domain.

**History: En. Sec. 1, Ch. 240, L. 1961; amd. Sec. 1, Ch. 304, L. 1973; R.C.M. 1947, 50-813.**

**Cross-References**
Open-pit mining of coal not public use, 70-30-102, 70-30-106.
Prospecting permits and mining leases for state lands, Title 77, ch. 3, part 1.

**82-2-222. Construction of alternate facilities.** Whenever it is sought to condemn streets, roads, alleys, or highways for the purposes stated in 82-2-221 hereof, there shall also be attached to the complaint for condemnation a plat or plats showing the alternate facilities to be proposed and paid for by the plaintiff, and the court, in its final order of condemnation, may order the plaintiff to construct such reasonable and adequate alternate facilities as it deems appropriate under the circumstances.

**History:** **En. Sec. 2, Ch. 240, L. 1961; R.C.M. 1947, 50-814.**

**82-2-223. Compensation for property.** (1) The measure of compensation for the property located within 300 yards of the surfaced tract condemned shall be the fair market value or the value of similar property in a similar area not affected by open-pit mining operations, whichever the owner of the surface property shall elect to receive.

(2) The measure of compensation for a building owned by the city, county, or state shall be the value of the cost of replacing the building in a similar area not affected by open-pit mining operations.

**History:** **En. Sec. 3, Ch. 240, L. 1961; amd. Sec. 2, Ch. 304, L. 1973; R.C.M. 1947, 50-815.**

**82-2-224. Notice of condemnation — filing of plat.** Any party seeking to condemn property for open-pit mining purposes shall serve notice in writing on all owners and purchasers under contracts for deed of property within 300 yards of the surface tract sought to be condemned or in lieu thereof shall file a plat showing the boundaries of the property sought to be condemned in the office of the county clerk and recorder, and the filing of said plat shall constitute notice to the owner or owners not personally served with written notice as herein provided.

**History:** **En. Sec. 4, Ch. 240, L. 1961; amd. Sec. 3, Ch. 304, L. 1973; R.C.M. 1947, 50-816; amd. Sec. 24, Ch. 526, L. 1983.**

**Cross-References**

Documents subject to recording by County Clerk, 7-4-2613.

Fees of County Clerk, 7-4-2631.

## Part 3

## Landowner Notification of Surface Operations

**82-2-301. Short title.** This part may be referred to as “The Landowner Notification Act”.

**History:** **En. Sec. 1, Ch. 335, L. 1971; R.C.M. 1947, 50-1301.**

**82-2-302. Ascertaining ownership of land.** All prospectors for minerals, miners, or other persons contemplating surface disturbance by mechanical equipment other than hand tools on lands within the state of Montana are required to ascertain the ownership and possessory right of any land before performing any such operations causing surface disturbance such as road or trail building or any other work disturbing the surface on such land.

**History:** **En. Sec. 2, Ch. 335, L. 1971; R.C.M. 1947, 50-1302.**

**82-2-303. Written notice and approval required before commencement of operations.** (1) The land or surface of land not owned in fee by such person may not be disturbed in any manner until the owner or manager of the surface of said land and the owner of a possessory right to said land are given notice in writing, accompanied by a map showing the specific locations involved, of such person’s intent or desire to enter upon such land, which will sufficiently disclose the plan of work and operations, including contemplated measures for the protection and restoration of the land and waters, to enable the owner or manager of the land and any person holding a possessory right to such land to evaluate the extent of disturbance contemplated and the effectiveness and sufficiency of the protection and restoration measures planned.

(2) Before commencement of any work or operations on any such lands, such person must first obtain from the surface owner of private land specific written approval of the proposed work or operations.

(3) In the case of city, county, state, or federally-owned lands, such person must first obtain the authorization or permit, if any, required by the applicable law and the regulations of the governmental agency or board charged by law with the administration or management of the surface of such land.

**History: En. Sec. 3, Ch. 335, L. 1971; R.C.M. 1947, 50-1303.**

**Cross-References**

City-County Planning Board not to prevent recovery of mineral resources, 76-1-113.

County zoning, Title 76, ch. 2, part 2.

Municipal zoning, Title 76, ch. 2, part 3.

Prospecting permits and mining leases for state-owned lands, Title 77, ch. 3, part 1.

Nonmetallic mineral leases authorized for state-owned lands, 77-3-201.

Coal leases authorized for state-owned lands, 77-3-301.

Oil and gas leases authorized for state-owned lands, 77-3-401.

Geothermal leases authorized for state-owned lands, 77-4-101.

Consent or waiver of surface owner prior to strip mining, 82-4-224.

**82-2-304. Exemption — discovery pits on federal lands.** Discovery pits which may be required to locate a mining claim on federal lands open to mineral entry, when excavated entirely by hand methods with hand tools, are exempt from the operation of this part.

**History: En. Sec. 4, Ch. 335, L. 1971; R.C.M. 1947, 50-1304.**

**82-2-305. Exemption — operations pursuant to prospecting permits or other agreements.** The provisions of this part shall not apply where operations upon land are performed in accordance with the terms of a prospecting permit or a lease covering any mineral interest in said land or other valid agreements authorizing such operations which are in full force and effect.

**History: En. Sec. 5, Ch. 335, L. 1971; amd. Sec. 1, Ch. 194, L. 1973; R.C.M. 1947, 50-1305.**

**Cross-References**

Prospecting permits and mining leases for state-owned lands, Title 77, ch. 3, part 1.

Nonmetallic mineral leases authorized for state-owned lands, 77-3-201.

Coal leases authorized for state-owned lands, 77-3-301.

Oil and gas leases authorized for state-owned lands, 77-3-401.

Geothermal leases authorized for state-owned lands, 77-4-101.

**82-2-306. Violation — immunity of landowner.** Any work done in violation of this part is punishable as a misdemeanor, and each day of violation shall constitute a separate offense. The owner or lessor shall not be liable for injury to any person on either owned or leased land.

**History: En. Sec. 6, Ch. 335, L. 1971; R.C.M. 1947, 50-1306.**

**Cross-References**

"Person" defined, 1-1-201.

Definition of misdemeanor, 45-2-101.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

Misdemeanor penalty when no penalty specified, 46-18-212.

## Part 4

## Assaying of Ore and Payment for Consignments

**Part Cross-References**

Deceptive business practices, 45-6-318.

**82-2-401. Samplerooms required.** Any person, association, or corporation engaged in the business of buying or sampling or smelting for hire ores of gold, silver, copper, lead, zinc, iron, or other valuable metal shall maintain a sampling-room or house to which the ore shippers, their agents, or representatives shall have access at all times during the sampling of ores or while the same is being carried on and in which shall be samples of all ores he or they may buy or smelt.

**History: En. Sec. 1, Ch. 54, L. 1909; re-en. Sec. 3436, R.C.M. 1921; re-en. Sec. 3436, R.C.M. 1935; R.C.M. 1947, 50-201.**

**82-2-402. Samples of fifty pounds per ton to be retained until settlement.** A person, association, or corporation which buys any ores upon an agreement to pay for them in amount dependent upon their metallic contents or smelts any ore shall retain from the pulp or crushed ore, as the same is sampled, a quantity of not less than 50 pounds out of each ton of ore, which quantity shall be selected regularly and at equal intervals from any lot of ore so bought or to be smelted, and shall keep this quantity separate from any other ores or pulp for a period of 30 days or until full settlement is made and accepted by the shipper. Until full settlement is made and accepted, the ore shipper, his agents, or representatives may take from the quantity so retained any part thereof for the purpose of sampling or assaying that part; however, the value of any part so taken by the owner or shipper may be deducted from the total value of the ore delivered by him.

**History: En. Sec. 2, Ch. 54, L. 1909; re-en. Sec. 3437, R.C.M. 1921; re-en. Sec. 3437, R.C.M. 1935; amd. Sec. 1, Ch. 39, L. 1977; R.C.M. 1947, 50-202.**

**Cross-References**

Authority of Historical Society to preserve samples of minerals, 22-3-107.

**82-2-403. Penalty for commingling foreign substances with ore.** Any person or persons, corporation, association, or partnership which shall, with intent to defraud, in any manner whatever, introduce any foreign substance into any ore or commingle any foreign substance with any ore intended for sale in any smelter or which any person, association, or corporation shall have undertaken for hire to smelt or into any sample retained for tests or assays, as provided in 82-2-402, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $100 or more than $1,000 or by imprisonment in the county jail for a period of not less than 60 days or more than 12 months or by both such fine and imprisonment.

**History: En. Sec. 3, Ch. 54, L. 1909; amd. Sec. 1, Ch. 44, L. 1921; re-en. Sec. 3438, R.C.M. 1921; re-en. Sec. 3438, R.C.M. 1935; R.C.M. 1947, 50-203.**

**Cross-References**
Deceptive business practices, 45-6-318.

**82-2-404. Umpire assayers — appointment, qualifications, and duties.** A person, association, or corporation engaged in the sampling of ores with intent to purchase or smelt them, whether for themselves or as the agent or agents for other purchasers, shall choose an assayer who has operated an assay office or chemical laboratory for at least 1 year. The person, association, or corporation shall submit to the selected assayer all samples of ore over which there is a dispute as to metallic contents or value between the buyer or sampler and the seller of the ore. The chosen assayer shall be known as the umpire for the person, association, or corporation.

**History: En. Sec. 1, Ch. 115, L. 1909; re-en. Sec. 3439, R.C.M. 1921; re-en. Sec. 3439, R.C.M. 1935; amd. Sec. 2, Ch. 39, L. 1977; R.C.M. 1947, 50-204; amd. Sec. 1, Ch. 27, L. 1979.**

**82-2-405. Notice of selection.** Upon the selection of the umpire, who shall be actively engaged in the assaying business in this state, the person, association, or corporation selecting him shall, within 10 days after the selection is made, post a notice of the selection in a conspicuous place within and without the room or house where the sampling of ores is carried on by the person, association, or corporation.

**History: En. Sec. 2, Ch. 115, L. 1909; re-en. Sec. 3440, R.C.M. 1921; re-en. Sec. 3440, R.C.M. 1935; amd. Sec. 3, Ch. 39, L. 1977; R.C.M. 1947, 50-205.**

**82-2-406. Violation — penalty.** Every person, association, or corporation engaged in the sampling of ores belonging to others which fails to comply with the provisions of 82-2-404 or 82-2-405 shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or less than $500.

**History: En. Sec. 3, Ch. 115, L. 1909; re-en. Sec. 3441, R.C.M. 1921; re-en. Sec. 3441, R.C.M. 1935; R.C.M. 1947, 50-206.**

**Cross-References**
Criminal responsibility of corporations, 45-2-311.
Accountability for conduct of corporation, 45-2-312.

**82-2-407 through 82-2-420 reserved.**

**82-2-421. Time for payment for ores.** (1) Every person, association, company, or corporation engaged within this state in purchasing ores, minerals, or metals from or in smelting, milling, or otherwise reducing or preparing the same for market for any other person or persons, association, company, or corporation shall, within 20 days after any such ores, minerals, or metals shall have arrived at his, their, or its smelter, mill, reduction works, yards, or other place for receiving such ores, minerals, or metals, make full settlement with and payment of the amount due to the consignor or consignors thereof, unless restrained or prevented from making such settlement and payment by an order, writ, or process of a court of competent jurisdiction.

(2) However, the provisions of this section shall not be applicable to any such ores, minerals, or metals received pursuant to an existing written contract at time of shipment between the consignor or consignors thereof and the

person, association, company, or corporation receiving the same, where the time for settlement and payment is provided for in such contract.

**History:** En. Sec. 1, Ch. 37, L. 1911; re-en. Sec. 3442, R.C.M. 1921; re-en. Sec. 3442, R.C.M. 1935; amd. Sec. 1, Ch. 5, L. 1953; R.C.M. 1947, 50-301(part).

**Cross-References**

Definition of contract, 28-2-101, 30-1-201.

Applicability of Uniform Commercial Code to contracts for sale of minerals, 30-2-105(1), 30-2-107.

**82-2-422. Violation — penalty.** Any person, association, company, or corporation violating any of the provisions of 82-2-421 shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or less than $500.

**History:** En. Sec. 2, Ch. 37, L. 1911; re-en. Sec. 3443, R.C.M. 1921; re-en. Sec. 3443, R.C.M. 1935; R.C.M. 1947, 50-302.

**Cross-References**

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

**82-2-423. Statement by purchasers of ore from leased mines.** A person or corporation buying or treating ores from leased mines or mining claims shall furnish the lessor and the lessee of the mines or mining claims a true and correct copy of the statement of returns of ores from the sale or shipment. The statement shall show both the gross and net proceeds derived from the sale or shipment of ores. Upon shipment of the ores from leased premises, either for sale or treatment, the shipper shall furnish to any sampling works or smelter buying or treating them the names and post-office addresses of the lessor and the lessee interested in that shipment of ores, and within 7 days after receipt of the statement from the sampling works or smelter, the shipper shall make settlement with the lessor and the lessee for the shipment or sale of ores, based upon the statement received by the parties from the sampling works or smelter.

**History:** En. Sec. 1, Ch. 79, L. 1921; re-en. Sec. 3444, R.C.M. 1921; re-en. Sec. 3444, R.C.M. 1935; amd. Sec. 4, Ch. 39, L. 1977; R.C.M. 1947, 50-303.

**82-2-424. Copy of statement to lessee.** Sampling works and smelters within this state shall mail a duplicate copy of any statement showing the gross and net proceeds of all ores bought from or treated for lessors of mines to the lessee of the mine or mining claim from which the ores were extracted at the same time the statement is furnished to the lessor of the mine or mining claim or shipper of the ore.

**History:** En. 3444.1, R.C.M. 1935 by Sec. 1, Ch. 17, L. 1937; amd. Sec. 5, Ch. 39, L. 1977; R.C.M. 1947, 50-304.

**82-2-425. Shipper — penalty for violation.** A person or corporation who, as the shipper, violates 82-2-423, as amended, is liable to the lessor and the lessee for 10% of the net returns from the shipment or sale of ores referred to in that section, in addition to the value of the interest of the lessor and the lessee in the shipment. This amount may be recovered in an action in any court of competent jurisdiction.

**History:** En. Sec. 2, Ch. 79, L. 1921; re-en. Sec. 3445, R.C.M. 1921; re-en. Sec. 3445, R.C.M. 1935; amd. Sec. 6, Ch. 39, L. 1977; R.C.M. 1947, 50-305.

**82-2-426. Smelters — penalty for violation.** Any person or corporation operating any sampling works or smelter within this state who shall violate any of the provisions of 82-2-423 and 82-2-424 shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not less than $50 or more than $100.

**History: En. Sec. 3, Ch. 79, L. 1921; re-en. Sec. 3446, R.C.M. 1921; re-en. Sec. 3446, R.C.M. 1935; amd. Sec. 2, Ch. 17, L. 1937; R.C.M. 1947, 50-306.**

**Cross-References**

"Person" defined, 1-1-201.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

# CHAPTER 3

# COAL MINING

**Part 1 — Coal Conservation**
**(Repealed. Sec. 21, Ch. 550, L. 1979)**

**Part 2 — Coal Invoices**

82-3-201. Regulations on bills and invoices.
82-3-202. Dealers' duties concerning bills and invoices.
82-3-203. Copies of bills and invoices to be kept for inspection.
82-3-204. Enforcement.
82-3-205. Penalty.

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**Chapter Cross-References**

Coal severance tax trust fund, Art. IX, sec. 5, Mont. Const.

Coal Board, 2-15-1821.

Duty to notify weed management district when proposed project will disturb land, 7-22-2152.

Coal severance tax, Title 15, ch. 35.

Coal mining on state land, Title 77, ch. 3, part 3.

## Part 1

## Coal Conservation
## (Repealed. Sec. 21, Ch. 550, L. 1979)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**82-3-101.** En. Sec. 1, Ch. 220, L. 1973; R.C.M. 1947, 50-1401.

**82-3-102.** En. Sec. 2, Ch. 220, L. 1973; R.C.M. 1947, 50-1402.

**82-3-103.** En. Sec. 3, Ch. 220, L. 1973; R.C.M. 1947, 50-1403.

**82-3-104.** En. Sec. 4, Ch. 220, L. 1973; amd. Sec. 15, Ch. 39, L. 1977; amd. Sec. 4, Ch. 352, L. 1977; R.C.M. 1947, 50-1404.

**82-3-105.** En. Sec. 5, Ch. 220, L. 1973; R.C.M. 1947, 50-1405.

**82-3-106.** En. Sec. 6, Ch. 220, L. 1973; R.C.M. 1947, 50-1406(1).

**82-3-107.** En. Sec. 6, Ch. 220, L. 1973; R.C.M. 1947, 50-1406(2).

**82-3-108.** En. Sec. 8, Ch. 220, L. 1973; R.C.M. 1947, 50-1408.

**82-3-109.** En. Sec. 7, Ch. 220, L. 1973; R.C.M. 1947, 50-1407.

**82-3-110.** En. Sec. 10, Ch. 220, L. 1973; R.C.M. 1947, 50-1409.

## Part 2

## Coal Invoices

**Part Cross-References**

Deceptive business practices, 45-6-318.

**82-3-201. Regulations on bills and invoices.** Any person, firm, or corporation engaged in mining, producing, or shipping of coal within the state of Montana shall accurately bill and invoice the same, plainly indicating on all bills or invoices therefor the place where the same was mined, the person, firm, or corporation by whom the same was mined, and the trade name or mark, if any, thereof.

**History:** En. Sec. 1, Ch. 104, L. 1927; re-en. Sec. 3546.1, R.C.M. 1935; R.C.M. 1947, 50-601.

**82-3-202. Dealers' duties concerning bills and invoices.** Any person, firm, or corporation wholesaling, jobbing, exchanging, offering for sale, or selling at retail any coal within the state of Montana shall accurately bill and invoice the same to the person, firm, or corporation purchasing or receiving the same and shall plainly indicate on all statements, bills, or invoices therefor the name of the coal, the name of the person, firm, or corporation producing the same, the place where mined, and the trade name or trademark, if any, thereof.

**History:** En. Sec. 2, Ch. 104, L. 1927; re-en. Sec. 3546.2, R.C.M. 1935; R.C.M. 1947, 50-602.

**Cross-References**

Full weight of coal to be given, 15-58-121.

**82-3-203. Copies of bills and invoices to be kept for inspection.** A person, firm, or corporation mining, shipping, or producing coal and all persons, firms, or corporations wholesaling, jobbing, exchanging, offering for sale, or selling at retail any coal in this state shall keep a true, accurate, and complete copy of all the original statements, bills, and invoices of all coal produced, shipped, marketed, exchanged, or sold for at least 1 year. All papers, records, and files of any person, firm, or corporation transporting, producing, shipping, exchanging, or selling any coal in this state shall, at all times, be open to inspection by the attorney general, the county attorneys, and the department of commerce for the purposes of enforcing this part.

**History:** En. Sec. 4, Ch. 104, L. 1927; re-en. Sec. 3546.4, R.C.M. 1935; amd. Sec. 117, Ch. 431, L. 1975; R.C.M. 1947, 50-604; amd. Sec. 2, Ch. 274, L. 1981.

**82-3-204. Enforcement.** The department of commerce shall enforce this part, and the attorney general and the county attorneys shall prosecute all cases arising under its provisions.

**History:** En. Sec. 6, Ch. 104, L. 1927; re-en. Sec. 3546.6, R.C.M. 1935; amd. Sec. 118, Ch. 431, L. 1975; R.C.M. 1947, 50-606; amd. Sec. 2, Ch. 274, L. 1981.

**82-3-205. Penalty.** Every person, firm, or corporation violating any of the provisions of this part shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than $25 or more than $500 or by imprisonment in the county jail for not more than 90 days or by both such fine and imprisonment. Any person, firm, or corporation convicted of a second violation of any of the provisions of this part shall be punished as above provided, and the license of any retail coal dealer shall, thereby, be automatically revoked, and it shall be unlawful for any person, firm, or corporation so convicted to engage thereafter in said retail business, either directly or indirectly, for a period of 6 months next after such second conviction.

**History:** En. Sec. 5, Ch. 104, L. 1927; re-en. Sec. 3546.5, R.C.M. 1935; R.C.M. 1947, 50-605.

**Cross-References**

"Person" defined, 1-1-201.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

# CHAPTER 4

# RECLAMATION

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**Chapter Cross-References**

Inalienable rights, Art. II, sec. 3, Mont. Const.

Environment — protection and improvement, Art. IX, sec. 1, Mont. Const.

Reclamation required, Art. IX, sec. 2, Mont. Const.

Wage protection for certain employees of mineral and oil industry, Title 39, ch. 3, part 5.

Hours of labor — hoisting engineers, 39-4-101.

Hours of labor — underground miners, 39-4-103.

Strip mining defined, hours of labor, 39-4-104.

Hours of labor for state and municipal governments, mines, mills, and smelters, 39-4-107.

Mining wastes — disposal, 75-10-103, 75-10-203, 80-8-110.

Montana Major Facility Siting Act, Title 75, ch. 20.

Master plans of city providing for conservation of mineral resources, 76-1-601.

Zoning district law not to prevent recovery of mineral resources, 76-2-209.

Hard-rock mining impact, Title 90, ch. 6, part 3.

## Part 1

## Strip and Underground Mine Siting

**82-4-101. Short title.** This part shall be known and may be cited as "The Strip and Underground Mine Siting Act".

**History: En. 50-1601 by Sec. 1, Ch. 280, L. 1974; amd. Sec. 1, Ch. 441, L. 1975; R.C.M. 1947, 50-1601.**

**82-4-102. Policy and purpose.** (1) It is the policy of this state to provide adequate remedies for the protection of the environmental life support system from degradation and provide adequate remedies to prevent unreasonable depletion and degradation of natural resources.

(2) It is the purpose of this part:

(a) to vest in the department the authority to review new strip-mine and new underground-mine site locations and reclamation plans and either approve or disapprove such locations and plans and to exercise general administration and enforcement of this part;

(b) to vest in the board the authority to adopt rules, to suspend and revoke permits, and to conduct hearings;

(c) to satisfy the requirement of Article IX, section 2, of the constitution of this state, that all lands disturbed by the taking of natural resources be reclaimed; and

(d) to insure that adequate information is available on areas proposed for strip mining or underground mining so that mining and reclamation plans may be properly formulated to accommodate areas that are suitable for strip mining or underground mining.

(3) This part is deemed to be an exercise of the general police power to provide for the health and welfare of the people.

**History: En. 50-1602 by Sec. 2, Ch. 280, L. 1974; amd. Sec. 2, Ch. 441, L. 1975; R.C.M. 1947, 50-1602.**

**Cross-References**

Legislature to provide for protection and improvement of environment, Art. IX, sec. 1, Mont. Const.

**82-4-103. Definitions.** When used in this part, unless a different meaning clearly appears from the context the following definitions apply:

(1) "Board" means the board of land commissioners as provided for in Article X, section 4, of the constitution of this state.

(2) "Department" means the department of state lands provided for in Title 2, chapter 15, part 32.

(3) "Mineral" means mineral as defined in 82-4-203.

(4) "New mine" means a strip- or underground-mining operation proposed for an area of land which the department determines, because of distance from an existing strip-mine or underground-mine operation or their respective facilities or because of important differences in topography, soils, wildlife, geologic structure, aquifers, or vegetation from an existing strip-mine or underground-mine operation, does not constitute an expansion of an existing operation.

(5) "Operation" means all of the premises, facilities, railroad loops, roads, power lines, and equipment used in the process of producing and removing mineral from a designated strip-mine or underground-mine area.

(6) "Operator" means a person who intends to operate a new strip mine or new underground mine involving the removal of more than 10,000 cubic yards of mineral or overburden.

(7) "Person" means a person, partnership, corporation, association, or other legal entity or any political subdivision or agency of the state.

(8) "Preparatory work" means all on-site disturbances, excluding prospecting, associated with the initiation of a new strip mine or underground mine, including but not limited to the construction of railroad spurs or loops, buildings to house mining operations, roads, storage and train load-out facilities, transmission lines, erection of draglines and loading shovels, and other associated facilities.

(9) "Strip mining" means any part of the process followed in the production of mineral by the opencut method, including mining by the auger method or any similar method which penetrates a mineral deposit and removes mineral directly through a series of openings made by a machine which enters the deposit from a surface excavation or any other method or process in which the strata or overburden is removed or displaced in order to recover the mineral.

(10) "Underground mining" means any part of the process followed in the production of a mineral such that vertical or horizontal shafts, slopes, drifts, or incline planes connected with excavations penetrating the mineral stratum or strata are utilized.

**History: En. 50-1603 by Sec. 3, Ch. 280, L. 1974; amd. Sec. 3, Ch. 441, L. 1975; R.C.M. 1947, 50-1603; amd. Sec. 191, Ch. 575, L. 1981.**

**82-4-104. Application.** The provisions of this part shall not apply where any preparatory work was conducted prior to January 1, 1974, or for which contracts for preparatory work or the sale of Montana coal from a new strip mine by an operator holding a valid permit under 82-4-221 were in existence and proven specific notice thereof given to the department prior to January 1, 1974.

**History: En. 50-1617 by Sec. 17, Ch. 280, L. 1974; R.C.M. 1947, 50-1617.**

### 82-4-105 through 82-4-110 reserved.

**82-4-111. Orders and rules of board — hearings.** The board shall:

(1) issue, after an opportunity for a hearing, orders requiring an operator to adopt the remedial measures necessary to comply with this part and rules adopted under this part;

(2) issue, after an opportunity for a hearing, a final order directing the department to revoke a permit when the requirements set forth by the notice of noncompliance, order of suspension, or an order of the board requiring remedial measures have not been complied with according to the terms herein;

(3) adopt, after an opportunity for a hearing, general rules pertaining to new strip mines and to new underground mines and preparatory work to accomplish the purposes of this part;

(4) conduct hearings under provisions of this part or rules adopted by the board.

**History: En. 50-1604 by Sec. 4, Ch. 280, L. 1974; amd. Sec. 4, Ch. 441, L. 1975; R.C.M. 1947, 50-1604.**

**Cross-References**

Adoption of rules by administrative agencies, Title 2, ch. 4, part 3.

Hearings in contested cases, Title 2, ch. 4, part 6.

Revocation of permits by Board, 82-4-129.

Hearings subject to Montana Administrative Procedure Act, 82-4-130.

**82-4-112. Administration.** The department shall:

(1) exercise general supervision, administration, and enforcement of this part and all rules and orders adopted under this part;

(2) order the suspension of any permit for failure to comply with this part, any rule adopted under this part, or permit issued pursuant to this part;

(3) order the halting of any operation that is started without first having secured a permit as required by this part;

(4) make investigations and inspections necessary to insure compliance with this part;

(5) encourage and conduct investigations, research, experiments, and demonstrations and collect and disseminate information relating to new strip mines, new underground mines, and reclamation of lands and waters affected by preparatory work;

(6) adopt rules with respect to the filing of reports, the issuance of permits, and other matters of procedure and administration.

**History: En. 50-1605 by Sec. 5, Ch. 280, L. 1974; amd. Sec. 5, Ch. 441, L. 1975; R.C.M. 1947, 50-1605.**

**Cross-References**

Adoption of rules by administrative agencies, Title 2, ch. 4, part 3.

Hearings in contested cases, Title 2, ch. 4, part 6.

Department of State Lands created, 2-15-3201.

Suspension of permits by Department, 82-4-129.

Hearings subject to Montana Administrative Procedure Act, 82-4-130.

Mandamus to compel enforcement, 82-4-142.

**82-4-113. Receipts paid into general fund.** Except for bond forfeiture moneys, all fees, penalties, and other moneys available or paid to the department under the provisions of this part shall be placed in the state treasury and credited to the general fund.

**History: En. 50-1610 by Sec. 10, Ch. 280, L. 1974; amd. Sec. 10, Ch. 441, L. 1975; R.C.M. 1947, 50-1610; amd. Sec. 1, Ch. 31, L. 1981.**

**Cross-References**

Expenditure only upon legislative appropriation, Art. VIII, sec. 14, Mont. Const., 17-8-101.

Reclamation by Board, 82-4-239, 82-4-240.

**82-4-114 through 82-4-120 reserved.**

**82-4-121. Permit required.** No person may commence preparatory work until the operator shall have first obtained from the department a mine-site location permit for a new strip mine or a new underground mine or a permit under part 2 of this chapter, if the application for such permit includes an appropriate long-range mining plan acceptable to the department.

**History: En. 50-1606 by Sec. 6, Ch. 280, L. 1974; amd. Sec. 6, Ch. 441, L. 1975; R.C.M. 1947, 50-1606.**

**Cross-References**

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-122. Application and approval of permit.** (1) A person desiring a mine-site location permit shall file with the department an application which shall contain a reclamation plan for any preparatory work and such other information the department deems necessary to determine if the proposed area to be affected by the operation is appropriate for the location of a new strip mine or a new underground mine. The department may require any information included in but not limited to an application for a strip-mining permit or underground-mining permit as required by part 2 of this chapter.

(2) The department shall notify the applicant within 365 days of receipt of a complete application if the proposed site is an acceptable location for development of a new strip mine or a new underground mine. If the site is approved, the department shall issue the applicant a mine-site location permit. If the location is not approved, the department shall notify the applicant in writing, setting forth reasons why the location is not acceptable. The department shall also notify the applicant within 365 days of receipt of a complete application whether the proposed reclamation plan is or is not acceptable. If the plan is not acceptable, the department shall set forth the reasons for nonacceptance of the plan. It may propose modifications, delete areas, or reject the entire plan.

**History: En. 50-1607 by Sec. 7, Ch. 280, L. 1974; amd. Sec. 7, Ch. 441, L. 1975; R.C.M. 1947, 50-1607(1), (3).**

**Cross-References**

Duration of lease when lands described in mine-site location permit, 77-3-314.

Contents of application for strip-mine permit, 82-4-222.

**82-4-123. Permit fee and surety bond.** A fee of $50 shall be paid before the mine-site location permit required in this part may be issued. The operator shall also file with the department a bond payable to the state of Montana with surety satisfactory to the department in the penal sum to be determined by the board on the recommendation of the commissioner of not less than $200 or more than $10,000 for each acre or fraction thereof of the area of land to be disturbed by preparatory work, with a minimum bond of $5,000, conditioned upon the faithful performance of the requirements set forth in this part and of the rules of the board. In determining the amount of the bond within the above limits, the board shall take into consideration the character and nature of the surface and subsurface disturbances, the future suitable use of the land involved, and the cost of removing or burying facilities, subsidence stabilization, water controls, backfilling, grading, topsoiling, and reclamation to be required. Notwithstanding the above limits, the bond may not be less than the total estimated cost to the state of completing the work described in the reclamation plan.

**History: En. 50-1607 by Sec. 7, Ch. 280, L. 1974; amd. Sec. 7, Ch. 441, L. 1975; R.C.M. 1947, 50-1607(4).**

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**82-4-124. Permit — authority under and renewal.** A mine-site location permit shall authorize the applicant to engage in preparatory work upon the area described in the application and designated in the permit for a period of 1 year from the date of issuance and is renewable until the applicant has applied for and received a strip-mining or underground-mining permit in accordance with part 2 of this chapter.

**History: En. 50-1607 by Sec. 7, Ch. 280, L. 1974; amd. Sec. 7, Ch. 441, L. 1975; R.C.M. 1947, 50-1607(2).**

**82-4-125. Refusal of permit.** (1) The department may not issue a permit under this part if it finds that a new strip mine or a new underground mine is not consistent with the purposes and policies of this part.

(2) The department shall not approve a new strip-mining site, a new underground-mining site, or preparatory work site for any areas of land or water included in the application if the department determines that the area could not be approved under the criteria specified in 82-4-227.

(3) The department shall not issue a permit under this part if a proposed reclamation plan does not meet the requirements of part 2 of this chapter.

**History: En. 50-1608 by Sec. 8, Ch. 280, L. 1974; amd. Sec. 8, Ch. 441, L. 1975; R.C.M. 1947, 50-1608.**

**Cross-References**

Policy and purpose of part, 82-4-102.

**82-4-126. When information may be used to meet strip-mining or underground-mining permit requirements.** The department may choose to accept information submitted under this part to the extent it is applicable and relevant as satisfying the requirements of part 2 of this chapter.

**History: En. 50-1614 by Sec. 14, Ch. 280, L. 1974; amd. Sec. 11, Ch. 441, L. 1975; R.C.M. 1947, 50-1614.**

**Cross-References**

Contents of application for strip-mine permit, 82-4-222.

**82-4-127. Effect of siting permit on subsequent mining permits.** When the department has sufficient information to approve or disapprove a mine-site location permit application on either the entire area being considered for a mine-site location permit or a portion thereof on the grounds listed in 82-4-227(2) and (4), it shall so state in a written statement to the operator. This decision is binding on the department with regard to strip-mining or underground-mining permit applications as specified in part 2 of this chapter unless:

(1) new information is submitted or obtained in compliance with part 2 of this chapter which indicates a situation not existing or known at the time of the issuance of a permit under this part;

(2) an application under this part misrepresented information related to the criteria;

(3) a situation develops because of strip-mining or underground-mining operations which was not in existence at the time of the issuance of a permit under this part.

**History: En. 50-1616 by Sec. 16, Ch. 280, L. 1974; amd. Sec. 13, Ch. 441, L. 1975; R.C.M. 1947, 50-1616.**

**82-4-128. Termination of permit.** A mine-site location permit granted by the department in accordance with the provisions of this part shall remain in full force and effect until the provisions of the permit are complied with and the bond is released, except that those areas of land covered by a mine-site location permit for which a strip-mining or an underground-mining permit is granted pursuant to the provisions of part 2 of this chapter shall be released from the terms and provisions of the mine-site location permit.

**History: En. 50-1615 by Sec. 15, Ch. 280, L. 1974; amd. Sec. 12, Ch. 441, L. 1975; R.C.M. 1947, 50-1615.**

**82-4-129. Noncompliance — suspension of permits.** (1) If any of the requirements of this part or rules or orders of the department and the board have not been complied with within the time limits set by the department or the board or by this part, the department shall serve a notice of noncompliance on the operator or, where found necessary, the commissioner shall order the suspension of a permit. The notice or order shall be handed to the operator in person or served by certified or registered mail addressed to the permanent address shown on the application for a permit. The notice of noncompliance or order of suspension shall specify in what respects the operator has failed to comply with this part or the rules or orders of the department and the board. If the operator has not complied with the requirement set forth in the notice of noncompliance or order of suspension within time limits set therein, the permit may be revoked by order of the board and the performance bond forfeited to the department.

(2) Any additional strip-mining or underground-mining or mine-site location permits held by an operator whose mine-site location permit has been revoked shall be suspended and the operator is not eligible to receive another permit or to have the suspended permits reinstated until he has complied with all the requirements of this part in respect to former permits issued him. An operator who has forfeited a bond is not eligible to receive another permit unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator has paid into the reclamation account a sum

together with the value of the bond the board finds adequate to reclaim the lands. The department may not issue any additional permits to an operator who has repeatedly been in noncompliance or violation of this part.

**History: En. 50-1609 by Sec. 9, Ch. 280, L. 1974; amd. Sec. 9, Ch. 441, L. 1975; R.C.M. 1947, 50-1609.**

**Cross-References**

Hearings in contested cases, Title 2, ch. 4, part 6.

Orders and rules of Board — hearings, 82-4-111.

Reclamation by Board, 82-4-239, 82-4-240.

**82-4-130. Procedure for hearings and appeals.** All hearing and appeal procedures shall be in accordance with the Montana Administrative Procedure Act.

**History: En. 50-1613 by Sec. 13, Ch. 280, L. 1974; R.C.M. 1947, 50-1613.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Orders and rules of Board — hearings, 82-4-111.

### 82-4-131 through 82-4-140 reserved.

**82-4-141. Violation — penalty.** (1) A person or operator who violates any of the provisions of this part or rules or orders adopted under this part shall pay a civil penalty of not less than $100 or more than $1,000 for the violation and an additional civil penalty of not less than $100 or more than $1,000 for each day during which a violation continues and may be enjoined from continuing such violations as provided in this section. These penalties shall be recoverable in any action brought in the name of the state of Montana by the attorney general in the district court of the first judicial district of this state in and for the county of Lewis and Clark or in the district court having jurisdiction of the defendant.

(2) The attorney general shall, upon the request of the commissioner, sue for the recovery of the penalties provided for in this section and bring an action for a restraining order, temporary or permanent injunction against an operator or other person violating or threatening to violate an order adopted under this part.

(3) A person who willfully violates any of the provisions of this part or any determination or order adopted under this part which has become final is guilty of a misdemeanor and shall be fined not less than $500 and not more than $5,000. Each day on which a violation occurs constitutes a separate offense.

**History: En. 50-1611 by Sec. 11, Ch. 280, L. 1974; R.C.M. 1947, 50-1611.**

**Cross-References**

Persons subject to jurisdiction — process — service, Rule 4, M.R.Civ.P. (see Title 25, ch. 20).

Injunctions, Title 27, ch. 19.

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

Disposition of fines and forfeitures, 46-18-603.

"Person" defined, 82-4-103(7).

**82-4-142. Mandamus to compel enforcement.** (1) A resident of this state, with knowledge that a requirement of this part or a rule adopted under this part is not being enforced by a public officer or employee whose duty it is to enforce the requirement or rule, may bring the failure to enforce to the attention of the public officer or employee by a written statement under oath that shall state the specific facts of the failure to enforce the requirement or rule. Knowingly making false statements or charges in the affidavit subjects the affiant to penalties prescribed in 45-7-202.

(2) If the public officer or employee neglects or refuses for an unreasonable time after receipt of the statement to enforce the requirement or rule, the resident may bring an action of mandamus in the district court of the first judicial district of this state in and for the county of Lewis and Clark or in the district court of the county in which the land is located. If the court finds that a requirement of this part or a rule adopted under this part is not being enforced, it shall order the public officer or employee whose duty it is to enforce the requirement or rule to perform his duties. If he fails to do so, the public officer or employee shall be held in contempt of court and is subject to the penalties provided by law.

**History: En. 50-1612 by Sec. 12, Ch. 280, L. 1974; R.C.M. 1947, 50-1612; amd. Sec. 2, Ch. 201, L. 1979.**

**Cross-References**

"Knowingly" defined, 1-1-204, 45-2-101.

Rules for determining residency, 1-1-215.

Contempts, Title 3, ch. 1, part 5.

Mandamus, Title 27, ch. 26.

## Part 2

## Coal and Uranium Mine Reclamation

**Part Cross-References**

Reclamation required, Art. IX, sec. 2, Mont. Const.

Severance tax on coal — trust fund, Art. IX, sec. 5, Mont. Const.

Department of State Lands created, 2-15-3201.

Commissioner of State Lands created, 2-15-3202.

Coal retailer's license tax, Title 15, ch. 58.

State equalization aid, severance tax on coal as revenue, 20-9-343.

Safety in coal mines, Title 50, ch. 73.

Unreclaimed land subject to eminent domain, 70-30-102.

Eminent domain, policy on surface mining or open-pit mining of coal, 70-30-102, 70-30-106.

State lands — coal mining leases and permits, Title 77, ch. 3, part 3.

Landowner notification of surface operations, Title 82, ch. 2, part 3.

Strip- and underground-mine siting, Title 82, ch. 4, part 1.

Planning and abatement of community impact caused by coal resources development, Title 90, ch. 6, part 2.

Executive and legislative agencies to assist tribes in coal development, 90-11-102.

**82-4-201. Short title.** This part shall be known and may be cited as "The Montana Strip and Underground Mine Reclamation Act".

**History: En. Sec. 1, Ch. 325, L. 1973; amd. Sec. 14, Ch. 441, L. 1975; R.C.M. 1947, 50-1034.**

**82-4-202. Policy — findings.** (1) It is the declared policy of this state and its people to:

(a) maintain and improve the state's clean and healthful environment for present and future generations;

(b) protect its environmental life-support system from degradation;

(c) prevent unreasonable degradation of its natural resources;

(d) restore, enhance, and preserve its scenic, historic, archeologic, scientific, cultural, and recreational sites;

(e) demand effective reclamation of all lands disturbed by the taking of natural resources and maintain state administration of the reclamation program;

(f) require the legislature to provide for proper administration and enforcement, create adequate remedies, and set effective requirements and standards (especially as to reclamation of disturbed lands) in order to achieve the aforementioned objectives; and

(g) provide for the orderly development of coal resources through strip or underground mining to assure the wise use of these resources and prevent the failure to conserve coal.

(2) The legislature hereby finds and declares that:

(a) in order to achieve the aforementioned policy objectives, promote the health and welfare of the people, control erosion and pollution, protect domestic stock and wildlife, preserve agricultural and recreational productivity, save cultural, historic, and aesthetic values, and assure a long-range dependable tax base, it is reasonably necessary to require, after March 16, 1973, that all strip-mining and underground-mining operations be limited to those for which 5-year permits are granted, that no permit be issued until the operator presents a comprehensive plan for reclamation and restoration and a coal conservation plan, together with an adequate performance bond, and the plan is approved, that certain other things must be done, that certain remedies are available, that certain lands because of their unique or unusual characteristics may not be strip-mined or underground-mined under any circumstances, all as more particularly appears in the remaining provisions of this part, and that the department be given authority to administer and enforce a reclamation program that complies with Public Law 95-87, the Surface Mining Control and Reclamation Act of 1977, as amended;

(b) this part be deemed to be an exercise of the authority granted in the Montana constitution, as adopted June 6, 1972, and, in particular, a response to the mandate expressed in Article IX thereof and also be deemed to be an exercise of the general police power to provide for the health and welfare of the people.

**History: En. Sec. 2, Ch. 325, L. 1973; amd. Sec. 15, Ch. 441, L. 1975; R.C.M. 1947, 50-1035; amd. Sec. 1, Ch. 550, L. 1979.**

**Cross-References**

Inalienable rights, Art. II, sec. 3, Mont. Const.

Environment — protection and improvement, Art. IX, sec. 1, Mont. Const.

**82-4-203. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Abandoned" means an operation where no mineral is being produced and where the department determines that the operation will not continue or resume.

(2) "Alluvial valley floor" means the unconsolidated stream-laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities; but the term does not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation, and windblown deposits.

(3) "Aquifer" means any geologic formation or natural zone beneath the earth's surface that contains or stores water and transmits it from one point to another in quantities which permit or have the potential to permit economic development as a water source.

(4) "Area of land affected" means the area of land from which overburden is to be or has been removed and upon which the overburden is to be or has been deposited and includes all land overlying any tunnels, shafts, or other excavations used to extract the mineral, lands affected by the construction of new railroad loops and roads or the improvement or use of existing railroad loops and roads to gain access and to haul the mineral, processing facilities at or near the mine site or other mine associated facilities, waste deposition areas, treatment ponds, and any other surface or subsurface disturbance associated with strip mining or underground mining, and all activities necessary and incident to the reclamation of such operations.

(5) "Bench" means the ledge, shelf, table, or terrace formed in the contour method of strip mining.

(6) "Board" means the board of land commissioners provided for in Article X, section 4, of the constitution of this state.

(7) "Coal conservation plan" means the planned course of conduct of a strip- or underground-mining operation to include plans for the removal and utilization of minable and marketable coal located within the area planned to be mined.

(8) "Coal preparation" means the chemical or physical processing of coal and its cleaning, concentrating, or other processing or preparation. The term does not mean the conversion of coal to another energy form or to a gaseous or liquid hydrocarbon, except for incidental amounts that do not leave the plant, nor does the term mean processing for other than commercial purposes.

(9) "Coal preparation plant" means a commercial facility where coal is subject to coal preparation. The term includes commercial facilities associated with coal preparation activities but is not limited to loading buildings, water treatment facilities, water storage facilities, settling basins and impoundments, and coal processing and other waste disposal areas.

(10) "Commissioner" means the commissioner of state lands provided for in 2-15-3202.

(11) "Contour strip mining" means that strip-mining method commonly carried out in areas of rough and hilly topography in which the coal or mineral seam outcrops along the side of the slope and entrance is made to the seam by excavating a bench or table cut at and along the site of the seam outcropping with the excavated overburden commonly being cast down the slope below the mineral seam and the operating bench.

(12) "Degree" means from the horizontal and in each case is subject to a tolerance of 5% error.

(13) "Department" means the department of state lands provided for in Title 2, chapter 15, part 32.

(14) "Failure to conserve coal" means the nonremoval or nonutilization of minable and marketable coal by an operation, provided that the nonremoval or nonutilization of minable and marketable coal in accordance with reclamation standards established by the department shall not be considered failure to conserve coal.

(15) "Fill bench" means that portion of a bench or table which is formed by depositing overburden beyond or downslope from the cut section as formed in the contour method of strip mining.

(16) "Imminent danger to the health and safety of the public" means the existence of any condition or practice or any violation of a permit or other

requirement of this part in a strip- or underground-coal-mining and reclamation operation that could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

(17) "Marketable coal" means a minable coal that is economically feasible to mine and is fit for sale in the usual course of trade.

(18) "Method of operation" means the method or manner by which the cut, open pit, shaft, or excavation is made, the overburden is placed or handled, water is controlled, and other acts are performed by the operator in the process of uncovering and removing the minerals that affect the reclamation of the area of land affected.

(19) "Minable coal" means that coal which can be removed through strip- or underground-mining methods adaptable to the location that coal is being mined or is planned to be mined.

(20) "Mineral" means coal and uranium.

(21) "Operation" means all of the premises, facilities, railroad loops, roads, and equipment used in the process of producing and removing mineral from and reclaiming a designated strip-mine or underground-mine area, including coal preparation plants, and all activities, including excavation incident thereto, or prospecting for the purpose of determining the location, quality, or quantity of a natural mineral deposit.

(22) "Operator" means a person engaged in strip mining or underground mining who removes or intends to remove more than 10,000 cubic yards of mineral or overburden or a person engaged in coal mining who removes or intends to remove more than 250 tons of coal from the earth by mining within 12 consecutive calendar months in any one location or a person engaged in operating a coal preparation plant.

(23) "Overburden" means all of the earth and other materials which lie above a natural mineral deposit and also means such earth and other material after removal from their natural state in the process of mining.

(24) "Person" means a person, partnership, corporation, association, or other legal entity or any political subdivision or agency of the state or federal government.

(25) "Prime farmland" means that land previously prescribed by the United States secretary of agriculture on the basis of such factors as moisture availability, temperature regime, chemical balance, permeability, surface-layer composition, susceptibility to flooding, and erosion characteristics and which historically has been used for intensive agricultural purposes and as defined in the Federal Register.

(26) "Prospecting" means the removal of overburden, core drilling, construction of roads, or any other disturbance of the surface for the purpose of determining the location, quantity, or quality of a natural mineral deposit.

(27) "Reclamation" means backfilling, subsidence stabilization, water control, grading, highwall reduction, topsoiling, planting, revegetation, and other work to restore an area of land affected by strip mining or underground mining under a plan approved by the department.

(28) "Remining" means conducting surface coal mining and reclamation operations that affect previously mined areas (for example, the recovery of additional mineral from existing gob or tailings piles).

(29) "Strip mining" means any part of the process followed in the production of mineral by the opencut method, including mining by the auger method or any similar method which penetrates a mineral deposit and removes mineral directly through a series of openings made by a machine which enters the deposit from a surface excavation or any other mining method or process in which the strata or overburden is removed or displaced in order to recover the mineral. For the purposes of this part only, strip mining also includes remining and coal preparation. The terms "remining" and "coal preparation" are not included in the definition of "strip mining" for purposes of Title 15, chapter 35, part 1.

(30) "Subsidence" means a vertically downward movement of overburden materials resulting from the actual mining of an underlying mineral deposit or associated underground excavations.

(31) "Surface owner" means a person who holds legal or equitable title to the land surface and whose principal place of residence is on the land or who personally conducts farming or ranching operations upon a farm or ranch unit to be directly affected by strip-mining operations or who receives directly a significant portion of his income, if any, from such farming or ranching operations or the state of Montana where the state owns the surface.

(32) "Topsoil" means the unconsolidated mineral matter naturally present on the surface of the earth that has been subjected to and influenced by genetic and environmental factors of parent material, climate, macro- and microorganisms, and topography, all acting over a period of time, and that is necessary for the growth and regeneration of vegetation on the surface of the earth.

(33) "Underground mining" means any part of the process followed in the production of a mineral such that vertical or horizontal shafts, slopes, drifts, or incline planes connected with excavations penetrating the mineral stratum or strata are utilized and includes mining by in situ methods.

(34) "Unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this part due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or this part due to indifference, lack of diligence, or lack of reasonable care.

(35) "Waiver" means any document which demonstrates the clear intention to release rights in the surface estate for the purpose of permitting the extraction of subsurface minerals by strip-mining methods.

(36) "Written consent" means such written statement as is executed by the owner of the surface estate, upon a form approved by the department, demonstrating that such owner consents to entry of an operator for the purpose of conducting strip-mining operations and that such consent is given only to such strip-mining and reclamation operations which fully comply with the terms and requirements of this part.

**History:** En. Sec. 3, Ch. 325, L. 1973; amd. Sec. 1, Ch. 209, L. 1974; amd. Sec. 1, Ch. 235, L. 1974; amd. Sec. 16, Ch. 441, L. 1975; amd. Sec. 1, Ch. 538, L. 1975; R.C.M. 1947, 50-1036; amd. Sec. 2, Ch. 550, L. 1979; amd. Sec. 1, Ch. 437, L. 1981; amd. Sec. 1, Ch. 70, L. 1987.

**82-4-204. Board orders, rules, and hearings.** The board shall:

(1) issue orders requiring an operator to adopt the remedial measures necessary to comply with this part and rules adopted under this part;

(2) issue, after an opportunity for a hearing, a final order directing the department to revoke a permit when the requirements set forth by the notice of noncompliance, order of suspension, or an order of the board requiring remedial measures have not been complied with according to the terms herein;

(3) adopt, after an opportunity for a hearing, general rules pertaining to strip mining and to underground mining to accomplish the purposes of this part;

(4) conduct hearings under provisions of this part or rules adopted by the board.

**History:** En. Sec. 4, Ch. 325, L. 1973; amd. Sec. 17, Ch. 441, L. 1975; R.C.M. 1947, 50-1037; amd. Sec. 3, Ch. 550, L. 1979.

**Cross-References**

Adoption of rules by administrative agencies, Title 2, ch. 4, part 3.

Hearings in contested cases, Title 2, ch. 4, part 6.

Mandamus to compel enforcement, 82-4-252.

**82-4-205. Administration by department of state lands.** The department:

(1) shall exercise general supervision, administration, and enforcement of this part and all rules and orders adopted under this part;

(2) shall examine and pass upon all plans and specifications submitted by the operator for the method of operation, subsidence stabilization, water control, backfilling, grading, highwall reduction, topsoiling, and for the reclamation of the area of land affected by his operation;

(3) shall order the suspension of any permit for failure to comply with this part or any rule adopted under this part;

(4) shall order the halting of any operation that is started without first having secured a permit as required by this part or order the cessation of operations not in compliance with this part in accordance with 82-4-251;

(5) shall make investigations and inspections necessary to insure compliance with this part;

(6) may encourage and conduct investigations, research, experiments, and demonstrations and collect and disseminate information relating to strip mining and to underground mining and reclamation of lands and waters affected by strip mining and underground mining;

(7) may adopt rules with respect to the filing of reports, the issuance of permits, monitoring, and other matters of procedure and administration;

(8) may conduct hearings under the provisions of this part.

**History:** En. Sec. 5, Ch. 325, L. 1973; amd. Sec. 18, Ch. 441, L. 1975; R.C.M. 1947, 50-1038; amd. Sec. 4, Ch. 550, L. 1979.

**Cross-References**

Adoption of rules by administrative agencies, Title 2, ch. 4, part 3.

Noncompliance — suspension of permits, 82-4-251.

Mandamus to compel enforcement, 82-4-252.

**82-4-206. Procedure for hearings and appeals.** All hearings and appeal procedures shall be in accordance with parts 6 and 7 of chapter 4, Title 2.

**History:** En. Sec. 24, Ch. 325, L. 1973; R.C.M. 1947, 50-1057.

**82-4-207 through 82-4-220 reserved.**

**82-4-221. Mining permit required.** (1) An operator may not engage in strip or underground mining without having first obtained from the department a permit designating the area of land affected by the operation, which designation shall include all lands reasonably anticipated to be mined or otherwise affected during the applicable 5-year period. The permit shall authorize the operator to engage in strip or underground mining upon the area of land described in his application and designated in the permit for a period of 5 years from the date of its issuance. Such permit shall be renewable upon each 5-year anniversary thereafter upon application to the department at least 120 but not more than 150 days prior to the renewal date so long as the operator is in compliance with the requirements of this part, the rules hereunder, and the reclamation plan provided for in 82-4-231 and agrees to comply with all applicable laws and rules in effect at the time of renewal. Such renewal shall further be subject to the denial provisions of 82-4-227, 82-4-234, and 82-4-251. On application for renewal, the burden shall be on the opponents of renewal to demonstrate that the permit should not be renewed. A permit shall terminate if the permittee has not commenced strip- or underground-mining operations pursuant to the permit within 3 years of the issuance of the permit. However, the department may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding the commencement or threatening substantial economic loss to the permittee or by reason of conditions beyond the control and without the fault or negligence of the permittee. With respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee is considered to have commenced strip- or underground-mining operations at such time as the construction of the synthetic or generating facility is initiated.

(2) As a condition to the issuance of every permit issued under this part, an authorized representative of the department shall, without advance notice, have the right of entry to, upon, or through a strip- or underground-mining operation or any premises in which any records required to be maintained under this part are located and may, at reasonable times and without delay, have access to copy any records and inspect any monitoring equipment or method of operation required under this part. When an inspection results from information provided to the department by any person, the department shall notify that person when the inspection is proposed to be made and that person shall be allowed to accompany the inspector during the inspection.

(3) During the term of the permit, the permittee may submit an application for a revision of the permit, together with a revised reclamation plan, to the department. The department may not approve the application unless it finds that reclamation in accordance with this part would be accomplished. Application for minor revision shall be approved or disapproved within a reasonable time, depending on the scope and complexity, but in no case longer than 120 days. Applications for major revisions are subject to all the permit application requirements and procedures.

**History: En. Sec. 6, Ch. 325, L. 1973; amd. Sec. 1, Ch. 221, L. 1975; amd. Sec. 19, Ch. 441, L. 1975; amd. Sec. 1, Ch. 352, L. 1977; R.C.M. 1947, 50-1039(1); amd. Sec. 5, Ch. 550, L. 1979; amd. Sec. 2, Ch. 437, L. 1981.**

**Cross-References**

Duration of lease when lands described in strip-mine permit, 77-3-314.

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-222. Permit application.** (1) An operator desiring a permit shall file an application which shall contain a complete and detailed plan for the mining, reclamation, revegetation, and rehabilitation of the land and water to be affected by the operation. Such plan shall reflect thorough advance investigation and study by the operator and shall include all known or readily discoverable past and present uses of the land and water to be affected and the approximate periods of such use and shall state:

(a) the location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) the names and addresses of the owners of record and any purchasers under contracts for deed of the surface of the area of land to be affected by the permit and the owners of record and any purchasers under contracts for deed of all surface area within one-half mile of any part of the affected area;

(c) the names and addresses of the present owners of record and any purchasers under contracts for deed of all subsurface minerals in the land to be affected;

(d) the source of the applicant's legal right to mine the mineral on the land affected by the permit;

(e) the permanent and temporary post-office addresses of the applicant;

(f) whether the applicant or any person associated with the applicant holds or has held any other permits under this part and an identification of those permits;

(g) whether the applicant is in compliance with 82-4-251 and, if known, whether every officer, partner, director, or any individual owning of record or beneficially, alone or with associates, 10% or more of any class of stock of the applicant is subject to any of the provisions of 82-4-251 and he shall so certify and whether any of the foregoing parties or persons have ever had a strip-mining or underground-mining license or permit issued by any other state or federal agency revoked or have ever forfeited a strip-mining or underground-mining bond or a security deposited in lieu of a bond and, if so, a detailed explanation of the facts involved in each case must be attached;

(h) whether the applicant has a record of outstanding reclamation fees with the federal coal regulatory authority;

(i) the names and addresses of any persons who are engaged in strip- or underground-mining activities on behalf of the applicant;

(j) the annual rainfall and the direction and average velocity of the prevailing winds in the area where the applicant has requested a permit;

(k) the results of any test borings or core samplings which the applicant or his agent has conducted on the land to be affected, including the nature and the depth of the various strata or overburden and topsoil, the quantities and location of subsurface water and its quality, the thickness of any mineral seam, an analysis of the chemical properties of such minerals, including the acidity, sulphur content, and trace mineral elements of any coal seam, as well as the British thermal unit (Btu) content of such seam, and an analysis of the overburden, including topsoil. If test borings or core samplings are submitted, each permit application shall contain two copies each of two sets of geologic cross sections accurately depicting the known geologic makeup beneath the surface of the affected land. Each set shall depict subsurface conditions at such intervals as the department requires across the surface and shall run at a 90-degree angle to the other set. The department may not require intervals of less than 500 feet. Each cross section shall depict the thickness and geologic character of all known strata beginning with the topsoil. In addition, each application for an underground-mining permit shall be accompanied by cross sections and maps showing the proposed underground locations of all shafts, entries, and haulageways or other excavations to be excavated during the permit period. These cross sections shall also include all existing shafts, entries, and haulageways.

(l) the name and date of a daily newspaper of general circulation within the county in which the applicant will prominently publish at least once a week for 4 successive weeks after submission of the application an announcement of his application for a strip-mining or underground-mining permit and a detailed description of the area of land to be affected should a permit be granted;

(m) a determination of the probable hydrologic consequences of coal mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface- and ground-water systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas, so that cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability can be made. However, this determination is not required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. The permit may not be approved until such information is available and is incorporated into the application.

(n) a coal conservation plan; and

(o) such other or further information as the department may require.

(2) The application for a permit shall be accompanied by two copies of all maps meeting the requirements of the subsections below. The maps shall:

(a) identify the area to correspond with the application;

(b) show any adjacent deep mining or surface mining and the boundaries of surface properties and names of owners of record of the affected area and within 1,000 feet of any part of the affected area;

(c) show the names and locations of all streams, creeks, or other bodies of water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within 1,000 feet of such area;

(d) show by appropriate markings the boundaries of the area of land affected, any cropline of the seam or deposit of mineral to be mined, and the total number of acres involved in the area of land affected;

(e) show the date on which the map was prepared and the north point;

(f) show the final surface and underground water drainage plan on and away from the area of land affected. This plan shall indicate the directional and volume flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.

(g) show the proposed location of waste or refuse area;

(h) show the proposed location of temporary subsoil and topsoil storage area;

(i) show the proposed location of all facilities;

(j) show the location of test boring holes;

(k) show the surface location lines of any geologic cross sections which have been submitted;

(l) show a listing of plant varieties encountered in the area to be affected and their relative dominance in the area, together with an enumeration of tree varieties and the approximate number of each variety occurring per acre on the area to be affected, and the locations generally of the various kinds and varieties of plants, including but not limited to grasses, shrubs, legumes, forbs, and trees;

(m) be certified as follows: "I, the undersigned, hereby certify that this map is correct and shows to the best of my knowledge and belief all the information required by the mining laws of this state." The certification shall be signed and notarized. The department may reject a map as incomplete if its accuracy is not so attested.

(n) contain such other or further information as the department may require.

(3) If the department finds that the probable total annual production at all locations of any strip- or underground-coal-mining operation applied for will not exceed 100,000 tons, any determination of probable hydrologic consequences that the department requires and the statement of result of test borings or core samplings shall, upon written request of the operator, be performed by a qualified public or private laboratory designated by the department. The department shall assume the cost of the determination and statement to the extent that it has received funds for this purpose.

(4) In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time or distance, and estimated cost for backfilling, subsidence stabilization, water control, grading work, highwall reduction, topsoiling, planting, revegetating, and a reclamation plan for the area affected by the operation, which proposals shall meet the requirements of this part and rules adopted under this part. The reclamation plan shall address the life of the operation and indicate the size, sequence, and the timing of the subareas for which it is anticipated that individual permits will be sought.

(5) Each applicant for a coal mining permit shall submit as part of the application a certificate issued by an insurance company authorized to do business in the state certifying that the applicant has in force for the strip- or underground-mining and reclamation operations for which the permit is sought a public liability insurance policy, or evidence that the applicant has satisfied other state or federal self-insurance requirements. This policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of strip- or underground-coal-mining and reclamation operations, including use of explosives, and entitled to compensation under applicable provisions of state law. The permittee must maintain the policy in full force and effect during the term of the permit and any renewal until all reclamation operations have been completed.

(6) Each applicant for a strip-mining or underground-mining reclamation permit shall file a copy of his application for public inspection with the clerk and recorder at the courthouse of the county where the major portion of mining is proposed to occur.

**History:** **En. Sec. 6, Ch. 325, L. 1973; amd. Sec. 1, Ch. 221, L. 1975; amd. Sec. 19, Ch. 441, L. 1975; amd. Sec. 1, Ch. 352, L. 1977; R.C.M. 1947, 50-1039(5) thru (7); amd. Sec. 1, Ch. 196, L. 1979; amd. Sec. 6, Ch. 550, L. 1979; amd. Sec. 3, Ch. 437, L. 1981; amd. Sec. 25, Ch. 526, L. 1983; amd. Sec. 2, Ch. 70, L. 1987.**

**Cross-References**

Documents subject to recording by County Clerk, 7-4-2613.

Recording fees of County Clerk, 7-4-2631.

Additional requirements of reclamation plan, 82-4-231(2).

Hearing on application for permit, 82-4-231(2).

**82-4-223. Permit fee and surety bond.** (1) An application fee of $100 shall be paid before the permit required in this part shall be issued.

(2) Before a permit may be issued, the operator shall file with the department a bond payable to the state of Montana with surety satisfactory to the department in the penal sum to be determined by the board, on the recommendation of the commissioner, of not less than $200 for each acre or fraction thereof of the area of land affected, with a minimum bond of $10,000, conditioned upon the faithful performance of the requirements set forth in this part and of the rules of the board. The operator may elect to deposit cash, negotiable bonds, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area. The level of bonding shall be relative to the degree of disturbance projected by the original permit and the annual report. A political subdivision or agency of the state need not file a bond unless required to do so by the board. The board shall adjust the amount of bond required if the cost of reclamation changes.

(3) In determining the amount of the bond, the board shall take into consideration the character and nature of the overburden, the future suitable use of the land involved, and the cost of backfilling, grading, highwall reduction, subsidence stabilization, water control, topsoiling, and reclamation to be required, but in no event shall the bond be less than the total estimated cost to the state of completing the work described in the reclamation plan.

**History:** **En. Sec. 6, Ch. 325, L. 1973; amd. Sec. 1, Ch. 221, L. 1975; amd. Sec. 19, Ch. 441, L. 1975; amd. Sec. 1, Ch. 352, L. 1977; R.C.M. 1947, 50-1039(8); amd. Sec. 7, Ch. 550, L. 1979; amd. Sec. 3, Ch. 70, L. 1987.**

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**82-4-224. Consent or waiver by surface owner.** In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by strip-mining operations, the application for a permit shall include the written consent or a waiver by the owner or owners of the surface lands involved to enter and commence strip-mining operations on such land, except that nothing in this section applies when the mineral estate is owned by the federal government in fee or in trust for an Indian tribe.

**History:** **En. 50-1039.1 by Sec. 2, Ch. 538, L. 1975; R.C.M. 1947, 50-1039.1.**

**Cross-References**

State jurisdiction on Indian lands, Title 2, ch. 1, part 3.

Landowner notification of surface operations required, Title 82, ch. 2, part 3.

**82-4-225. Application for increase or reduction in permit area.** The department may increase or reduce the area of land affected by an operation under a permit on application by an operator, but an increase may not extend the period for which an original permit was issued. An operator may, at any time, apply to the department for an amendment of the permit so as to increase or reduce the acreage affected by it. The operator shall file an application and map in the same form and with the same content as required for an original application under this part and shall pay an application fee of $50 and shall file with the department a supplemental bond in the amount to be determined under 82-4-223 for each acre or fraction of an acre of the increase approved. All procedures of this part pertaining to original applications apply to applications for the increase of the area of land affected, except for incidental boundary revisions. If the department approves a reduction in the acreage covered by the original or supplemental permit, it shall release the bond for each acre reduced, but in no case shall the bond be reduced below $10,000, except as provided in 82-4-223.

**History:** **En. Sec. 7, Ch. 325, L. 1973; amd. Sec. 2, Ch. 352, L. 1977; R.C.M. 1947, 50-1040; amd. Sec. 8, Ch. 550, L. 1979.**

**82-4-226. Prospecting permit.** (1) On and after March 16, 1973, prospecting by any person on land not included in a valid strip-mining or underground-mining permit shall be unlawful without possessing a valid prospecting permit issued by the department as provided in this section. No prospecting permit shall be issued until the person submits an application, the application is examined, amended if necessary, and approved by the department, and adequate reclamation performance bond is posted, all of which prerequisites must be done in conformity with the requirements of this part.

(2) An application for a prospecting permit shall be made in writing, notarized, and submitted to the department in duplicate upon forms prepared and furnished by it. The application shall include among other things a prospecting map and a prospecting reclamation plan of substantially the same character as required for a surface-mining or underground-mining map and reclamation plan under this part. The department shall determine by rules the precise nature of such required prospecting map and reclamation plan. Any applicant who intends to prospect by means of core drilling shall specify the location and number of holes to be drilled, methods to be used in sealing aquifers, and such other information as may be required by the department. The applicant must state what types of prospecting and excavating techniques will be employed on the affected land. The application shall also include any other or further information the department may require.

(3) The application shall be accompanied by a fee of $100. This fee shall be used as a credit toward the strip-mining or underground-mining permit fee provided by this part if the area covered by the prospecting permit becomes covered by a valid surface-mining or underground-mining permit obtained before or at the time the prospecting permit expires.

(4) Before the department gives final approval to the prospecting permit application, the applicant shall file with the department a reclamation and revegetation bond in a form and in an amount as determined in the same manner for strip-mining or underground-mining reclamation and revegetation bonds under this part.

(5) In the event that the holder of a prospecting permit desires to strip mine or underground mine the area covered by the prospecting permit and has fulfilled all the requirements for a strip-mining or underground-mining permit, the department may permit the postponement of the reclamation of the acreage prospected if that acreage is incorporated into the complete reclamation plan submitted with the application for a strip-mining or underground-mining permit. Any land actually affected by prospecting or excavating under a prospecting permit and not covered by the strip-mining or underground-mining reclamation plan shall be promptly reclaimed.

(6) The prospecting permit shall be valid for 1 year and shall be subject to renewal, suspension, and revocation in the same manner as strip-mining or underground-mining permits under this part.

(7) The holder of the prospecting permit shall file with the department the same progress reports, maps, and revegetation progress reports as are required of strip-mining or underground-mining operators under this part.

**History: En. Sec. 8, Ch. 325, L. 1973; amd. Sec. 20, Ch. 441, L. 1975; R.C.M. 1947, 50-1041; amd. Sec. 2, Ch. 196, L. 1979.**

**Cross-References**

Reclamation plan and maps required, 82-4-222.

Reclamation surety bond required, 82-4-223.

Planting report, 82-4-235.

Annual report, 82-4-237.

**82-4-227. Refusal of permit.** (1) An application for a prospecting, strip-mining, or underground-mining permit or major revision shall not be approved by the department unless, on the basis of the information set forth in the application, an on-site inspection, and an evaluation of the operation by the department, the applicant has affirmatively demonstrated that the requirements of this part and rules will be observed and that the proposed method of operation, backfilling, grading, subsidence stabilization, water control, highwall reduction, topsoiling, revegetation, or reclamation of the affected area can be carried out consistently with the purpose of this part. The applicant for a permit or major revision has the burden of establishing that his application is in compliance with this part and the rules adopted under it.

(2) The department shall not approve the application for a prospecting, strip-mining, or underground-mining permit where the area of land described in the application includes land having special, exceptional, critical, or unique characteristics or that mining or prospecting on that area would adversely affect the use, enjoyment, or fundamental character of neighboring land having special, exceptional, critical, or unique characteristics. For the purposes of this part, land is defined as having such characteristics if it possesses special, exceptional, critical, or unique:

(a) biological productivity, the loss of which would jeopardize certain species of wildlife or domestic stock;

(b) ecological fragility, in the sense that the land, once adversely affected, could not return to its former ecological role in the reasonable foreseeable future;

(c) ecological importance, in the sense that the particular land has such a strong influence on the total ecosystem of which it is a part that even temporary effects felt by it could precipitate a system-wide reaction of unpredictable scope or dimensions; or

(d) scenic, historic, archeologic, topographic, geologic, ethnologic, scientific, cultural, or recreational significance. (In applying this subsection, particular attention should be paid to the inadequate preservation previously accorded Plains Indian history and culture.)

(3) The department may not approve an application for a strip- or underground-coal-mining permit or major revision unless the application affirmatively demonstrates that:

(a) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made by the department and the proposed operation thereof has been designed to prevent material damage to the hydrologic balance outside the permit area; and

(b) the proposed strip- or underground-coal-mining operation would not:

(i) interrupt, discontinue, or preclude farming on alluvial valley floors that are irrigated or naturally subirrigated, excluding undeveloped rangelands that are not significant to farming on alluvial valley floors and those lands as to which the regulatory authority finds that if the farming that will be interrupted, discontinued, or precluded is of such small acreage as to be of negligible impact on the farm's agricultural production; or

(ii) materially damage the quantity or quality of water in surface-water or underground-water systems that supply these valley floors in subsection (3)(b)(i).

(4) Subsection (3)(b) does not affect those strip- or underground-coal-mining operations that in the year preceding the enactment of Public Law 95-87 produced coal in commercial quantities and were located within or adjacent to alluvial valley floors or had obtained specific permit approval by the department to conduct strip- or underground-coal-mining operations within alluvial valley floors. If coal deposits are precluded from being mined under this subsection, the commissioner shall certify to the secretary of interior that the mineral owner or lessee may be eligible for participation in coal exchange programs pursuant to section 510(5) of Public Law 95-87.

(5) If the area proposed to be mined contains prime farmland, the department may not grant a permit to mine coal on the prime farmland unless it finds in writing that the applicant has the technological capability to restore the mined area, within a reasonable time, to equivalent or higher levels of yield as nonmined prime farmland in the surrounding area under equivalent levels of management and can meet the soil reconstruction standards of 82-4-232(3). Nothing in this subsection applies to any permit issued prior to August 3, 1977, or to any revisions or renewals thereof, or to any existing strip- or underground-mining operations for which a permit was issued prior to August 3, 1977.

(6) If the department finds that the overburden on any part of the area of land described in the application for a prospecting, strip-mining, or underground-mining permit is such that experience in the state with a similar type of operation upon land with similar overburden shows that substantial deposition of sediment in streambeds, subsidence, landslides, or water pollution cannot feasibly be prevented, the department shall delete that part of the land described in the application upon which the overburden exists. The burden is on the applicant to demonstrate that any area should not be deleted under this subsection.

(7) If the department finds that the operation will constitute a hazard to a dwelling house, public building, school, church, cemetery, commercial or institutional building, public road, stream, lake, or other public property, the department shall delete those areas from the prospecting, strip-mining, or underground-mining permit application before it can be approved. In no case may strip- or underground-coal-mining be allowed within 300 feet of any occupied dwelling, unless waived by the owner, nor within 300 feet of any public building, school, church, community, or institutional building, or public park; nor within 100 feet of a cemetery; nor within 100 feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line. The department may permit such roads to be relocated or the area affected to lie within 100 feet of the road if, after public notice and opportunity for public hearing in the locality, a written finding is made that the interests of the public and the landowners affected will be protected.

(8) No strip- or underground-mining may be conducted within 500 feet of active or abandoned underground mines in order to prevent breakthroughs and to protect health or safety of miners. The department shall permit an operator to mine near, through, or partially through an abandoned underground mine or closer to an active underground mine if:

(a) the nature, timing, and sequencing of specific strip-mine activities and specific underground-mine activities are jointly approved by the department and the regulatory authority concerned with the health and safety of underground miners; and

(b) such operations will result in improved resource recovery, abatement of water pollution, or elimination of hazards to the health and safety of the public.

(9) The department may not approve an application for a strip- or underground-coal-mining operation if the area proposed to be mined is included within an area designated unsuitable for strip or underground coal mining or within an area under review for this designation under an administrative proceeding, unless in such an area as to which an administrative proceeding has commenced pursuant to this part, the operator making the permit application demonstrates that prior to January 1, 1977, he made substantial legal and financial commitments in relation to the operation for which he is applying for a permit.

(10) No permit or major permit revision for a strip- or underground-coal-mining operation may be issued unless the applicant has affirmatively demonstrated by its coal conservation plan that no failure to conserve coal will occur. The department may require the applicant to submit any information it considers necessary for review of the coal conservation plan.

(11) Whenever information available to the department indicates that any strip- or underground-coal-mining operation owned or controlled by the applicant is currently in violation of Public Law 95-87, as amended, or any state law required by Public Law 95-87, as amended, or any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection, the department shall not issue a strip- or underground-coal-mining permit or major revision until the applicant submits proof that the violation has been corrected or is

in the process of being corrected to the satisfaction of the administering agency.

(12) The department may not issue a strip- or underground-coal-mining permit or major revision to any applicant which it finds, after an opportunity for hearing, owns or controls any strip- or underground-coal-mining operation which has demonstrated a pattern of willful violations of Public Law 95-87, as amended, or any state law required by Public Law 95-87, as amended, of such a nature and duration and with such resulting irreparable damage to the environment to indicate an intent not to comply with the provisions of this part.

(13) Subject to valid existing rights, no strip- or underground-coal-mining operations except those which existed as of August 3, 1977, may be conducted on private lands within the boundaries of units of the national park system, the national wildlife refuge systems, the national wilderness preservation system, the wild and scenic rivers system, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act, or national recreation areas designated by act of congress.

**History: En. Sec. 9, Ch. 325, L. 1973; amd. Sec. 21, Ch. 441, L. 1975; R.C.M. 1947, 50-1042; amd. Sec. 9, Ch. 550, L. 1979.**

**Cross-References**

Safety in mines, Title 50, ch. 72, 73.

Policy — findings, 82-4-202.

Denial of permit, written findings required, 82-4-231(2).

Denial of permit for repeated violations, 82-4-251.

**82-4-228. Designation of land unsuitable for coal mining.** (1) Any person having an interest that is or may be adversely affected may petition the department to have an area designated as unsuitable for strip- or underground-coal-mining operations or to have a designation terminated. The petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within 10 months after receipt of the petition, the department shall hold a public hearing in the locality of the affected area after giving appropriate notice and publication of the date, time, and location thereof. Before the hearing, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within 60 days after the hearing, the department shall issue and furnish to the petitioner and any other party to the hearing a written decision regarding the petition and the reasons therefor. The hearing need not be held if all petitioners reach agreement prior to the requested hearing and withdraw their request.

(2) If petitioned, the department shall review the area petitioned for pursuant to this section and:

(a) shall designate it as an area unsuitable for all or certain types of strip- or underground-coal-mining operations if it is determined that reclamation pursuant to the requirements of this part is not technologically and economically feasible; and

(b) may designate it as an area unsuitable for all or certain types of strip or underground coal mining if the proposed coal mining operations will:

(i) be incompatible with existing state or local land-use plans or programs to the extent they affect mining in the area; or

(ii) affect fragile or historic lands in which these operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(iii) affect renewable resource lands in which these operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, these lands to include aquifers and aquifer recharge areas; or

(iv) affect natural hazard lands in which these operations could substantially endanger life and property, these lands to include areas subject to frequent flooding and areas of unstable geology.

(3) Prior to designating any land areas as unsuitable for strip- or underground-coal-mining operations, the department shall prepare a detailed statement on:

(a) the potential coal resources of the area;

(b) the demand for coal resources; and

(c) the impact of this designation on the environment, economy, and supply of coal.

(4) A designation does not prevent mineral exploration pursuant to this part of any area so designated.

(5) The requirements of this section do not apply to lands on which strip- or underground-coal-mining operations are being conducted pursuant to a permit issued under this part or where substantial legal and financial commitments in these operations were in existence prior to January 4, 1977.

**History:** **En. Sec. 10, Ch. 550, L. 1979.**

**Cross-References**

Coal exploration permit required, 82-4-121.

Coal prospecting permit required, 82-4-226.

Renewable resource development, Title 90, ch. 2.

**82-4-229 and 82-4-230 reserved.**

**82-4-231. Submission of and action on reclamation plan.** (1) As rapidly, completely, and effectively as the most modern technology and the most advanced state of the art will allow, each operator granted a permit under this part shall reclaim and revegetate the land affected by his operation, except that underground tunnels, shafts, or other subsurface excavations need not be revegetated. Under the provisions of this part and rules adopted by the board, an operator shall prepare and carry out a method of operation, plan of grading, backfilling, highwall reduction, subsidence stabilization, water control, topsoiling, and a reclamation plan for the area of land affected by his operation. In developing a method of operation and plans of backfilling, subsidence stabilization, water control, grading, highwall reduction, topsoiling, and reclamation, all measures shall be taken to eliminate damages to landowners and members of the public, their real and personal property, public roads, streams, and all other public property from soil erosion, subsidence, landslides, water pollution, and hazards dangerous to life and property.

(2) The reclamation plan shall set forth in detail the manner in which the applicant intends to comply with this section and 82-4-232 through 82-4-234, as amended, and the steps to be taken to comply with applicable air and water quality laws and rules and any applicable health and safety standards.

(3) The application for permit or major revision of a permit, which shall contain the reclamation plan, shall be submitted to the department.

(4) The department shall determine whether the application is administratively complete. An application is administratively complete if it contains information addressing each application requirement in 82-4-222 and the rules implementing that section and all information necessary to initiate processing and public review. The department shall notify the applicant in writing of its determination no later than 90 days after submittal of the application. If the department determines that the application is not administratively complete, it shall specify in the notice those items which the application must address. The application shall be presumed administratively complete as to those requirements not specified in the notice.

(5) If the department determines that an environmental impact statement on the application is required, it shall notify the applicant in writing at the same time it gives the applicant notice pursuant to subsection (4).

(6) After the applicant receives notice that the application is administratively complete, he shall publish notice of filing of the application once a week for 4 consecutive weeks in a newspaper of general circulation in the locality of the proposed operation. The department shall notify various local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality in which the proposed mining will take place of the application and provide a reasonable time for them to submit written comments. Any person having an interest which is or may be adversely affected or the officer or head of any federal, state, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for permit or major revision within 30 days of the applicant's published notice. If written objections are filed and an objector requests an informal conference, the department shall hold an informal conference in the locality of the proposed operation within 30 days of receipt of the request. The department shall notify the applicant and all parties to the informal conference of its decision and the reasons therefor within 60 days of the informal conference. The department may arrange with the applicant upon request by any party to the administrative proceeding for access to the proposed mining area for the purpose of gathering information relevant to the proceeding.

(7) The filing of written objections or a request for an informal conference shall not preclude the department from proceeding with its review of the application as specified in subsection (8).

(8) (a) The department shall review each administratively complete application and determine the acceptability of the application. During the review, the department may propose modifications to the application or delete areas from the application in accordance with the requirements of 82-4-227. A complete application is considered acceptable when the application is in compliance with all of the applicable requirements of this part and the regulatory program pursuant to this part.

(b) If the applicant significantly modifies the application after the application has been determined administratively complete in accordance with subsection (4), the department shall under this section either deny the application or conduct a new review, including an administrative completeness determination, public notice, and objection period.

(c) If an environmental impact statement is determined to be necessary prior to making a permit decision, the department shall complete and publish the final environmental impact statement within 365 days of the date of notice provided pursuant to subsection (5).

(d) Within 120 days after it determines that an application is administratively complete, the department shall notify the applicant in writing whether the application is or is not acceptable. If the application is not acceptable, the department shall set forth the reasons why it is not acceptable, and it may propose modifications, delete areas, or reject the entire application. All items not specified as unacceptable in the department's notification are presumed to be acceptable. If the applicant revises the application in response to a notice of unacceptability, the department shall review the revised application and notify the applicant in writing within 120 days of the date of receipt whether the revised application is acceptable. If the revision constitutes a significant modification under subsection (8)(b), the department shall conduct a new review, beginning with an administrative completeness determination.

(e) When the application is determined to be acceptable, the department shall publish notice of its determination once a week for 2 consecutive weeks in a newspaper of general circulation in the locality of the proposed operation. Any person having an interest that is or may be adversely affected may file a written objection to the determination within 10 days of the department's last published notice. If a written objection is filed and an objector requests an informal conference, the department shall hold an informal conference in the locality of the proposed operation within 20 days of receipt of the request. The department shall notify the applicant and all parties to the informal conference of its decision and the reasons therefor within 10 days of the informal conference.

(f) The department shall prepare written findings granting or denying the permit or major revision application in whole or in part no later than 45 days from the date the application is determined acceptable or from the publication of the final environmental impact statement, whichever occurs later. However, if lands subject to the federal lands program are included in the application for permit or major revision, the department shall prepare and submit written findings to the federal regulatory authority. If the department's decision is to grant the permit, the department shall issue the permit on the date of its written finding or, if any federal concurrence is necessary, on the date when such concurrence is obtained. If the application is denied, specific reasons for the denial must be set forth in the written notification to the applicant.

(g) If the department fails to act within the times specified in this subsection (8), it shall immediately notify the board in writing of its failure to comply and the reasons for the failure to comply.

(9) The applicant, a landowner, or any person with an interest that is or may be adversely affected by the department's permit decision may within 30 days of that decision submit a written notice requesting a hearing by the board. The notice must contain the grounds upon which the requester contends that the decision is in error. The hearing shall be held within 30 days of the request. For purposes of a hearing, the board may order site inspections of the area pertinent to the application. The board shall within 20 days of the hearing notify the person who requested the hearing, by certified mail,

and all other persons, by regular mail, of the findings and decisions. No person who presided at the informal conference may either preside at the hearing or participate in the decision thereon.

(10) In addition to the method of operation, grading, backfilling, subsidence stabilization, water control, highwall reduction, topsoiling, and reclamation requirements of this part and rules adopted under this part, the operator, consistent with the directives of subsection (1) of this section, shall:

(a) bury under adequate fill all toxic materials, shale, mineral, or any other material determined by the department to be acid producing, toxic, undesirable, or creating a hazard;

(b) as directed by rules seal off tunnels, shafts, or other openings or any breakthrough of water creating a hazard;

(c) impound, drain, or treat all runoff or underground mine waters so as to reduce soil erosion, damage to grazing and agricultural lands, and pollution of surface and subsurface waters;

(d) remove or bury all metal, lumber, and other refuse resulting from the operation;

(e) use explosives in connection with the operation only in accordance with department regulations designed to minimize noise, damage to adjacent lands, and water pollution and ensure public safety and for other purposes;

(f) adopt measures to prevent land subsidence unless the board approves a plan for inducing subsidence into an abandoned operation in a predictable and controlled manner with measures for grading, topsoiling, and revegetating the subsided land surface. In order for a controlled subsidence plan to be approved, the applicant must show that subsidence will not cause a direct or indirect hazard to any public or private buildings, roads, facilities, or use areas, constitute a hazard to human life or health, or constitute a hazard to domestic livestock or to a viable agricultural operation, or violate any other restrictions the board may consider necessary.

(g) stockpile and protect from erosion all mining and processing wastes until these wastes can be disposed of according to the provisions of this part;

(h) deposit as much stockpiled waste material as possible back into the mine voids upon abandonment in such manner as to prevent or minimize land subsidence. The remaining waste material shall be disposed of as provided by this part and the rules of the board.

(i) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed;

(j) to the extent possible using the best technology currently available, minimize disturbances and adverse impacts of the operation on fish, wildlife, and related environmental values and achieve enhancement of such resources where practicable;

(k) minimize the disturbances to the prevailing hydrologic balance at the mine site and in associated offsite areas and to the quality and quantity of water in surface-water and ground-water systems both during and after strip- or underground-coal-mining operations and during reclamation by:

(i) avoiding acid or other toxic mine drainage by such measures as, but not limited to:

(A) preventing or removing water from contact with toxic-producing deposits;

(B) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(C) casing, sealing, or otherwise managing boreholes, shafts, and wells and keeping acid or other toxic drainage from entering ground and surface waters;

(ii) (A) conducting strip- or underground-mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area but in no event shall contributions be in excess of requirements set by applicable state or federal law;

(B) constructing any siltation structures pursuant to (ii)(A) of this subsection prior to commencement of strip- or underground-mining operations, such structures to be certified by a qualified registered engineer to be constructed as designed and as approved in the reclamation plan;

(iii) cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized and depositing the silt and debris at a site and in a manner approved by the department;

(iv) restoring recharge capacity of the mined area to approximate premining conditions;

(v) avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(vi) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(vii) such other actions as the department may prescribe;

(l) conduct strip- or underground-mine operations in accordance with the approved coal conservation plan;

(m) stabilize and protect all surface areas, including spoil piles, to effectively control air pollution;

(n) seal all auger holes with an impervious and noncombustible material in order to prevent drainage except where the department determines that the resulting impoundment of water in such auger holes may create a hazard to the environment or the public health and safety;

(o) develop contingency plans to prevent sustained combustion;

(p) refrain from construction of roads or other access ways up a streambed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(q) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this part, taking into consideration the physical, climatological, and other characteristics of the site;

(r) with regard to underground mines, eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(s) locate openings for all new drift mines working acid-producing or iron-producing coal seams in such a manner as to prevent a gravity discharge of water from the mine.

(11) An operator may not throw, dump, pile, or permit the dumping, piling, or throwing or otherwise placing any overburden, stones, rocks, mineral, earth, soil, dirt, debris, trees, wood, logs, or any other materials or substances of any kind or nature beyond or outside of the area of land which is under

permit and for which a bond has been posted under 82-4-223, as amended, or place the materials described in this section in such a way that normal erosion or slides brought about by natural physical causes will permit the materials to go beyond or outside of that area of land. An operator shall conduct the strip- or underground-mining operation in such a manner as to protect areas outside the permit area.

**History: En. Sec. 10, Ch. 325, L. 1973; amd. Sec. 22, Ch. 441, L. 1975; amd. Sec. 12, Ch. 39, L. 1977; R.C.M. 1947, 50-1043; amd. Sec. 11, Ch. 550, L. 1979; amd. Sec. 1, Ch. 289, L. 1985.**

**Cross-References**

Safety in coal mines, Title 50, ch. 73.

Air quality control, Title 75, ch. 2.

Water quality control, Title 75, ch. 5.

Aquatic ecosystem protection, Title 75, ch. 7.

Control of hazardous wastes, Title 75, ch. 10, part 2.

Permit application — contents of reclamation plan, 82-4-222.

Coal conservation plan required, 82-4-222(1)(m).

Refusal of permit, 82-4-227.

**82-4-232. Area mining required — bond — alternative plan.** (1) Area strip mining, a method of operation which does not produce a bench or fill bench, is required where strip mining is proposed. All highwalls must be reduced and the steepest slope of the reduced highwall shall be no greater than 20 degrees from the horizontal. Highwall reduction shall be commenced at or beyond the top of the highwall and sloped to the graded spoil bank. Reduction, backfilling, and grading shall eliminate all highwalls and spoil peaks. The area of land affected shall be restored to the approximate original contour of the land. When directed by the department, the operator shall construct in the final grading such diversion ditches, depressions, or terraces as will accumulate or control the water runoff. Additional restoration work may be required by the department according to rules adopted by the board.

(2) In addition to the backfilling and grading requirements, the operator's method of operation on steep slopes may be regulated and controlled according to rules adopted by the board. These rules may require any measure whatsoever to accomplish the purpose of this part.

(3) For coal mining on prime farmlands, the board shall establish by rule specifications for soil removal, storage, replacement, and reconstruction, and the operator shall as a minimum be required to:

(a) segregate the A horizon of the natural soil, except where it can be shown that other available soil materials will create a final soil having a greater productive capacity; and if not utilized immediately, stockpile this material separately from other spoil and provide needed protection from wind and water erosion or contamination by other acid or toxic material;

(b) segregate the B horizon of the natural soil, or underlying C horizon or other strata, or a combination of such horizons or other strata that are shown to be both texturally and chemically suitable for plant growth and that can be shown to be equally or more favorable for plant growth than the B horizon in sufficient quantities to create in the regraded final soil a root zone of comparable depth and quality to that which existed in the natural soil; and if not utilized immediately, stockpile this material separately from other spoil and provide needed protection from wind and water erosion or contamination by acid or toxic material;

(c) replace and regrade the root zone material described in subsection (3)(b) with proper compaction and uniform depth over the regraded spoil material; and

(d) redistribute and grade in a uniform manner the surface soil horizon described in (a) above.

(4) All available topsoil shall be removed in a separate layer, guarded from erosion and pollution, and kept in such a condition that it can sustain vegetation of at least the quality and variety it sustained prior to removal, provided that the operator shall accord substantially the same treatment to any subsurface deposit of material that is capable, as determined by the department, of supporting surface vegetation virtually as well as the present topsoil. After the operation has been backfilled and graded, the topsoil or the best available subsurface deposit of material which is best able to support vegetation shall be returned as the top layer.

(5) As determined by rules of the board, time limits shall be established requiring backfilling, grading, subsidence stabilization, water control, highwall reduction, topsoiling, planting, and revegetation to be kept current. All backfilling, subsidence stabilization, sealing, grading, and topsoiling shall be completed before necessary equipment is moved from the operation.

(6) (a) The permittee may file a request with the department for the release of all or part of a performance bond or deposit. Within 30 days after any application for bond or deposit release has been filed with the department, the permittee shall submit a copy of an advertisement notice placed at least once a week for 4 successive weeks in a newspaper of general circulation in the locality of the prospecting or mining operation. The notice is considered part of any bond release application and must contain a notification of the precise location of the land affected, the number of acres, the permit and the date approved, the amount of the bond filed and the portion sought to be released, the type and appropriate dates of reclamation work performed, and a description of the results achieved as they relate to the permittee's approved reclamation plan. In addition, as part of any bond release application, the permittee shall submit copies of letters that he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities or water companies in the locality of the operation, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the request and copies of the notification made under subsection (6)(a), the department shall, within 30 days, conduct an inspection and evaluation of the reclamation work involved. In the evaluation, the department shall consider, among other things, the degree of difficulty in completing any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance or future occurrence of such pollution, and the estimated cost of abating such pollution. The department shall notify the permittee in writing of its decision to release or not to release all or part of the performance bond within 60 days of the filing of the request if no public hearing is held pursuant to subsection (6)(f) or, if a public hearing is held pursuant to that subsection, within 30 days thereafter.

(c) The department may release the bond or deposit in whole or in part if it is satisfied the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this part according to the following schedule:

(i) When the permittee completes the plugging, backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the department shall release 60% of the bond or collateral for the applicable permit area.

(ii) After revegetation has been established on the regraded lands in accordance with the approved reclamation plan, the department shall, for the period specified for operator responsibility of reestablishing revegetation, retain that amount of bond for the revegetated area that would be sufficient for a third party to cover the cost of reestablishing revegetation. Whenever a silt dam is to be retained as a permanent impoundment, the portion of bond may be released under this subsection (6)(c)(ii) if provisions for sound future maintenance by the operator or the landowner have been made with the department. No part of the bond or deposit may be released under this subsection (6)(c)(ii):

(A) as long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements of 82-4-231(10)(k); or

(B) before soil productivity for prime farm lands to which the release would be applicable has returned to equivalent levels of yield as nonmined land of the same soil type in the surrounding area under equivalent management practices, as determined from the soil survey.

(iii) When the permittee has successfully completed all prospecting, mining, and reclamation activities, the department shall release the remaining portion of the bond, but not before the expiration of the period specified for responsibility and not until all reclamation requirements of this part are fully met.

(d) If the department disapproves the application for release of the bond or portion thereof, it shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure the release and allowing opportunity for a public hearing.

(e) When an application for total or partial bond release is filed with the department, it shall notify the municipality in which a prospecting or mining operation is located by certified mail at least 30 days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest that might be adversely affected by release of the bond or the responsible officer or head of any federal, state, or local governmental agency which has jurisdiction by law or special expertise with respect to any environmental, social, or economic impact involved in the operation or is authorized to develop and enforce environmental standards with respect to such operations has the right to file written objections to the proposed release from bond to the department within 30 days after the last publication of the notice provided for in subsection (6)(a). If written objections are filed and a hearing requested, the department shall inform all the interested parties of the time and place of the hearing and, within 30 days of the request for such hearing, hold a public hearing in the locality of the operation proposed for bond release. The date, time, and location of the public hearing must be advertised by the department in a newspaper of general circulation in the locality for 2 consecutive weeks, and the hearing must be held in the locality of the operation proposed for bond release or at the state capital, at the option of the objector, within 30 days of the request for such hearing.

(g) Without prejudice to the rights of the objectors or the permittee or the responsibilities of the department pursuant to this section, the department may establish an informal conference to resolve such written objections.

(h) For the purpose of the hearing under subsection (6)(f), the department may administer oaths; subpoena witnesses or written or printed materials; compel the attendance of witnesses or the production of materials; and take evidence, including but not limited to site inspections of the land affected and other operations carried on by the permittee in the general vicinity. A verbatim record of each public hearing required by this section must be made, and a transcript must be made available on the motion of any party or by order of the department.

(7) An operator may propose alternative plans other than backfilling, grading, highwall reduction, topsoiling, or seeding to a permanent diverse vegetative cover if the restoration will be consistent with the purpose of this part. These plans shall be submitted to the department, and after consultation with the landowner, if the plans are approved by the board and complied with within the time limits as may be determined by the board as being reasonable for carrying out the plans, the backfilling, grading, highwall reduction, topsoiling, or revegetation requirements of this part may be modified by the board. An operator who proposes alternative plans that will affect an existing permit shall comply with the notice requirement of 82-4-222(1)(k).

(8) If alternate revegetation is proposed, a management plan must be submitted showing how the area will be utilized and any data necessary to show that the alternate postmining land use can be achieved. Any plan must require the operation as a minimum to:

(a) restore the land affected to a condition capable of supporting the use which it was capable of supporting prior to any mining operation or to a higher or better use of which there is a reasonable likelihood, if the use or uses do not present any actual or probable threat of water diminution or pollution, and if the permit applicant's proposed land use following reclamation is not deemed to be impractical, unreasonable, or inconsistent with applicable land use policies and plans, would not involve unreasonable delay in implementation, and would not violate federal, state, or local law; and

(b) prevent soil erosion to the extent achieved prior to mining.

**History: En. Sec. 11, Ch. 325, L. 1973; amd. Sec. 23, Ch. 441, L. 1975; amd. Sec. 3, Ch. 352, L. 1977; R.C.M. 1947, 50-1044; amd. Sec. 1, Ch. 172, L. 1979; amd. Sec. 12, Ch. 550, L. 1979; amd. Sec. 1, Ch. 288, L. 1985; amd. Sec. 143, Ch. 370, L. 1987.**

**Cross-References**

Water quality control, Title 75, ch. 5.

Policy — findings, 82-4-202.

Bond required, 82-4-223.

Release of remaining bond, 82-4-235.

**82-4-233. Planting of vegetation following grading of disturbed area.** (1) After the operation has been backfilled, graded, topsoiled, and approved by the department, the operator shall prepare the soil and plant such legumes, grasses, shrubs, and trees as are necessary to establish on the regraded areas and all other lands affected a diverse, effective, and permanent vegetative cover of the same seasonal variety native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area except that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan. The vegetative cover must be capable of:

(a) feeding and withstanding grazing pressure from a quantity and mixture of wildlife and livestock at least comparable to that which the land could have sustained prior to the operation;

(b) regenerating under the natural conditions prevailing at the site, including occasional drought, heavy snowfalls, and strong winds; and

(c) preventing soil erosion to the extent achieved prior to the operation.

(2) The seed or plant mixtures, quantities, method of planting, type and amount of lime or fertilizer, mulching, irrigation, fencing, and any other measures necessary to provide a suitable permanent diverse vegetative cover shall be defined by rules of the board.

(3) All underground shafts, tunnels, or other excavations are excluded from the provisions of subsection (1) of this section.

**History: En. Sec. 12, Ch. 325, L. 1973; amd. Sec. 24, Ch. 441, L. 1975; R.C.M. 1947, 50-1045; amd. Sec. 2, Ch. 172, L. 1979.**

**82-4-234. Commencement of reclamation.** The operator shall commence the reclamation of the area of land affected by his operation as soon as possible after the beginning of strip mining or underground mining of that area in accordance with plans previously approved by the department. Those grading, backfilling, subsidence stabilization, topsoiling, and water management practices that are approved in the plans shall be kept current with the operation as defined by rules of the board, and a permit or supplement to a permit may not be issued if, in the discretion of the department, these practices are not current. A permittee may not, without department approval, disturb any area that has been seeded pursuant to 82-4-233.

**History: En. Sec. 13, Ch. 325, L. 1973; amd. Sec. 25, Ch. 441, L. 1975; R.C.M. 1947, 50-1046; amd. Sec. 3, Ch. 196, L. 1979.**

**82-4-235. Inspection of vegetation — final bond release.** Inspection and evaluation for permanent diverse vegetative cover shall be made as soon as it is possible to determine if a satisfactory stand has been established. If the department determines that a satisfactory permanent diverse vegetative cover has been established, it shall release the remaining bond held on the area reclaimed after public notice and an opportunity for hearing as provided in 82-4-232(6). In no event shall such remaining bond be released prior to a period of 10 years after the last year of augmented seeding, fertilizing, irrigation, or other work required under this part for those operations or portions of operations that were seeded after February 2, 1978, or prior to a period of 5 years after initial planting for all exploration activities and all other operations.

**History: En. Sec. 14, Ch. 325, L. 1973; R.C.M. 1947, 50-1047; amd. Sec. 4, Ch. 196, L. 1979; amd. Sec. 13, Ch. 550, L. 1979.**

**Cross-References**

Planting report required for prospecting permit, 82-4-226(7).

Release of bond, 82-4-232(6).

**82-4-236. Vegetation as property of landowner.** All legumes, grasses, shrubs, and trees which are planted or seeded on the area of land affected as required by this part or rules adopted under this part become the property of the landowner after complete release of the bond, unless the operator and the landowner agree otherwise.

**History:** **En. Sec. 15, Ch. 325, L. 1973; R.C.M. 1947, 50-1048.**

**Cross-References**

Release of bond, 82-4-232(6), 82-4-235.

**82-4-237. Operator to file annual reports.** (1) An operator shall file an annual report with the department within 30 days of the anniversary date of each permit. In lieu of an annual report for each permit, the department may allow the operator to file an annual report for each operation on a date determined by the department. Included within an annual report shall be:

(a) the name and address of the operator and permit number or numbers;

(b) a report in such detail as the department shall require, supplemented with maps, cross sections, or other material indicating the extent to which mining operations have been carried out, the progress of all reclamation work, including the type of planting or seeding, mixture and amount of seed, date of planting or seeding, and area of land planted, the extent to which expectations and predictions made in the original application have been fulfilled and any deviation therefrom, and the number of acres affected; and

(c) a revised schedule or timetable of operations and reclamation and an estimate of the number of acres to be affected during the next 1-year period.

(2) Upon receipt of the annual report, the department may make further inquiry and request further information and, if it does so, shall allow a reasonable opportunity for the operator to respond.

(3) When problem situations are revealed by review of new information or as a result of field inspections, the department may order such changes in the mining and reclamation plans as are necessary to insure compliance with this part.

**History:** **En. Sec. 6, Ch. 325, L. 1973; amd. Sec. 1, Ch. 221, L. 1975; amd. Sec. 19, Ch. 441, L. 1975; amd. Sec. 1, Ch. 352, L. 1977; R.C.M. 1947, 50-1039(2) thru (4); amd. Sec. 5, Ch. 196, L. 1979; amd. Sec. 1, Ch. 68, L. 1983.**

**Cross-References**

Annual report filed for prospecting permit, 82-4-226(7).

**82-4-238. Successor operator.** Where one operator succeeds another at an uncompleted operation, either by sale, assignment, lease, or otherwise, the department may release the first operator from all liability under this part as to that particular operation if both operators have been issued a permit and have otherwise complied with the requirements of this part, and the successor operator assumes, as part of his obligation under this part, all liability for the reclamation of the area of land affected by the former operator.

**History:** **En. Sec. 18, Ch. 325, L. 1973; R.C.M. 1947, 50-1051.**

**82-4-239. Reclamation by board.** (1) The board may have reclamation work done by its own employees or by employees of other governmental agencies, soil conservation districts, or through contracts with qualified persons. The board may construct, operate, and maintain plants for the control and treatment of water pollution resulting from mine drainage.

(2) Any funds or any public works programs available to the board shall be used and expended to reclaim and rehabilitate lands that have been subjected to strip mining or underground mining that have not been reclaimed

and rehabilitated in accordance with the standards of this part. The board shall cooperate with federal, state, and private agencies to engage in cooperative projects under this section.

(3) Agents, employees, or contractors of the department may enter upon any land for the purpose of conducting studies or exploratory work to determine whether such land has been strip- or underground-mined and not reclaimed and rehabilitated in accordance with the requirements of this part and to determine the feasibility of restoration, reclamation, abatement, control, or prevention of any adverse effects of past coal-mining practices. Upon request of the commissioner, the attorney general shall bring an injunctive action to restrain any interference with the exercise of the right to enter and inspect granted in this subsection.

(4) If the department makes a finding of fact that:

(a) land or water resources have been adversely affected by past coal-mining practices; and

(b) the adverse effects are at a stage where in the public interest action to restore, reclaim, abate, control, or prevent should be taken; and

(c) the owners of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal-mining practices are not known or readily available or the owners will not give permission for the department or its agents, employees, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal-mining practices;

then agents, employees, or contractors of the department, after giving notice by mail to the owner, if known, and any purchaser under contract for deed, if known, or, if neither is known, by posting notice upon the premises and advertising in a newspaper of general circulation in the county in which the land lies, may enter upon property adversely affected by past coal-mining practices and any other property necessary for access to such mineral property to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects of past coal-mining practices. This act is not an act of condemnation of property or of trespass but rather an exercise of the power granted by sections 1 and 2, Article IX of the Montana constitution.

(5) (a) Within 6 months after the completion of projects to restore, reclaim, abate, control, or prevent adverse effects of past coal-mining practices on privately owned land, the department shall itemize the money so expended and may file a statement thereof in the office of the clerk and recorder of the county in which the land lies, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal-mining practices if the money so expended shall result in a significant increase in property value. Such statement constitutes a lien upon the land. The lien may not exceed the amount determined by the appraisal to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal-mining practices. No lien may be filed against the property of any person, in accordance with this subsection, who owned the surface prior to May 2, 1977, and who neither consented to nor participated in nor exercised

control over the mining operation which necessitated the reclamation performed under this part.

(b) The landowner may petition within 60 days of the filing of the lien to determine the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal-mining practices. The amount reported to be the increase in value of the premises constitutes the amount of the lien and shall be recorded with the statement herein provided. Any party aggrieved by the decision may appeal as provided by law.

(c) The lien provided in this section shall be recorded at the office of the county clerk and recorder. The statement constitutes a lien upon the land as of the date of the expenditure of the money and has priority as a lien second only to the lien of real estate taxes imposed upon the land.

(6) The board may acquire the necessary property by gift or purchase or, if the property cannot be acquired by gift or purchase at a reasonable cost, proceedings may be instituted in the manner provided in Title 70, chapter 30, against all nonaccepting landholders if:

(a) the property is necessary for successful reclamation;

(b) the acquired land after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal-mining practices will serve recreation and historic purposes or conservation and reclamation purposes or provide open space benefits; and

(c) permanent facilities such as treatment plants or relocated stream channels will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past strip- or underground-coal-mining practices; or acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of this part in that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effects of past coal-mining practices.

**History: En. Sec. 20, Ch. 325, L. 1973; amd. Sec. 27, Ch. 441, L. 1975; R.C.M. 1947, 50-1053(part); amd. Sec. 14, Ch. 550, L. 1979; amd. Sec. 26, Ch. 526, L. 1983.**

**Cross-References**

Documents subject to recording, 7-4-2613.

Fees of County Clerk, 7-4-2631.

Condemnation for restoration declared public use, 70-30-102(16).

Liens generally, Title 71, ch. 3, part 1.

**82-4-240. Reclamation of lands after bond forfeited.** In keeping with the provisions of this part, the board may reclaim any affected lands with respect to which a bond has been forfeited.

**History: En. Sec. 21, Ch. 325, L. 1973; amd. Sec. 28, Ch. 441, L. 1975; R.C.M. 1947, 50-1054; amd. Sec. 2, Ch. 31, L. 1981.**

**82-4-241. Receipts paid into general fund.** Except for bond forfeiture moneys, all fees, penalties, and other moneys available or paid to the department under the provisions of this part shall be placed in the state treasury and credited to the general fund.

**History: En. Sec. 19, Ch. 325, L. 1973; amd. Sec. 26, Ch. 441, L. 1975; R.C.M. 1947, 50-1052; amd. Sec. 3, Ch. 31, L. 1981.**

**Cross-References**

Expenditure only upon legislative appropriation, Art. VIII, sec. 14, Mont. Const., 17-8-101.

**82-4-242. Funds received by board.** The board may receive any federal funds, state funds, or any other funds for the reclamation of land affected by strip mining or underground mining.

History: En. Sec. 20, Ch. 325, L. 1973; amd. Sec. 27, Ch. 441, L. 1975; R.C.M. 1947, 50-1053(part).

**82-4-243 through 82-4-250 reserved.**

**82-4-251. Noncompliance — suspension of permits.** (1) The commissioner or an authorized representative of the department shall, if he determines on the basis of an inspection that any condition or practices exist or that the permittee is in violation of any requirement of this part or any permit condition required by the part that creates an imminent danger to the health or safety of the public or is causing or can reasonably be expected to cause significant and imminent environmental harm to land, air, or water resources, immediately order cessation of the operation or the portion thereof relevant to the condition, practice, or violation. The cessation order remains in effect until the commissioner or his authorized representative determines that the condition, practice, or violation has been abated or until modified, vacated, or terminated by the commissioner or his authorized representative pursuant to subsection (5). If the commissioner or his authorized representative finds that the ordered cessation of the operation, or any portion thereof, will not completely abate the imminent danger to the health or safety of the public or the significant and imminent environmental harm to land, air, or water resources, he shall in addition to the cessation order impose affirmative obligations requiring whatever steps the commissioner or his authorized representative considers necessary to abate the imminent danger or the significant environmental harm.

(2) When, on the basis of an inspection, the department determines that any permittee is in violation of any requirement of this part or any permit condition required by this part which does not create an imminent danger to the health or safety of the public or cannot be reasonably expected to cause significant and imminent environmental harm to land, air, or water resources, the commissioner or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time, not exceeding 90 days, for the abatement of the violation and providing opportunity for public hearing. If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the commissioner or his authorized representative, the commissioner or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of the operation or the portion thereof relevant to the violation. Such cessation order remains in effect until the commissioner or his authorized representative determines that the violation has been abated or until modified, vacated, or terminated by the commissioner or his authorized representative pursuant to subsection (5). In the order of cessation issued under this subsection, the commissioner shall determine the steps necessary to abate the violation in the most expeditious manner possible and shall include the necessary measures in the order.

(3) When, on the basis of an inspection, the commissioner or his authorized representative determines that a pattern of violations of any requirements of this part or any permit conditions required by this part exists or has

existed and if the commissioner or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this part or any permit conditions or that such violations are willfully caused by the permittee, the commissioner or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked and shall provide opportunity for a public hearing. If a hearing is requested, the commissioner shall inform all interested parties of the time and place of the hearing. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the commissioner or his authorized representative shall forthwith suspend or the board shall revoke the permit. When a permit has been revoked, the board may order the performance bond forfeited.

(4) Any additional permits held by an operator whose mining permit has been revoked shall be suspended and the operator is not eligible to receive another permit or to have the suspended permits reinstated until he has complied with all the requirements of this part in respect to former permits issued him. An operator who has forfeited a bond is not eligible to receive another permit unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator has paid into the reclamation account a sum together with the value of the bond the board finds adequate to reclaim the lands.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the department or the commissioner or his authorized representative who issues the notice or order. All such notices and orders must be in writing and be signed by the authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the commissioner or his authorized representative, provided that any notice or order issued pursuant to this section that requires cessation of mining by the operator expires within 30 days of actual notice to the operator unless a public hearing is held at the site or within such reasonable proximity to the site that any viewings of the site can be conducted during the course of public hearing.

(6) A person issued a notice or an order of cessation pursuant to this section or any person having an interest that is or may be adversely affected by an order or by modification, vacation, or termination of an order may apply to the department for review of that order within 30 days of its issuance or within 30 days of its modification, vacation, or termination. Upon receipt of the application, the department shall make an investigation. The investigation shall provide an opportunity for public hearing at the request of the applicant or the person having an interest who is or may be adversely affected to enable the applicant or the person to present information relating to the issuance and continuance of the notice or order or the modification, vacation, or termination of it. The filing of an application for review under this subsection may not operate as a stay of any order or notice. The department shall make findings of fact and issue a written decision incorporating an order vacating, affirming, modifying, or terminating the order.

(7) Whenever an order is issued under this section or as the result of any administrative proceeding under this part, at the request of any person, a sum equal to the aggregate amount of all costs, expenses, and attorney fees as determined by the department to have been reasonably incurred by such person for or in connection with his participation in such proceedings, including any judicial review of agency actions, may be assessed against either party as the court, resulting from judicial review, or the department, resulting from administrative proceedings, considers proper.

(8) In order to protect the stability of the land, the commissioner or his authorized representative shall order cessation of underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

**History: En. Sec. 17, Ch. 325, L. 1973; R.C.M. 1947, 50-1050; amd. Sec. 15, Ch. 550, L. 1979; amd. Sec. 4, Ch. 437, L. 1981; amd. Sec. 1, Ch. 162, L. 1983.**

**Cross-References**

"Willfully" defined, 1-1-204.

Contested administrative cases, Title 2, ch. 4, part 6.

Appeal of contested administrative cases, Title 2, ch. 4, part 7.

Duty of Board to revoke permits, 82-4-204.

Duty of Commission to suspend permits, 82-4-205.

**82-4-252. Mandamus.** (1) A resident of this state or any person having an interest which is or may be adversely affected, with knowledge that a requirement of this part or a rule adopted under this part is not being enforced or implemented by a public officer or employee whose duty it is to enforce or implement the requirement or rule, may bring the failure to enforce to the attention of the public officer or employee by a written statement under oath that shall state the specific facts of the failure to enforce the requirement or rule. Knowingly making false statements or charges in the affidavit subjects the affiant to penalties prescribed in 45-7-202.

(2) If the public officer or employee neglects or refuses for an unreasonable time after receipt of the statement to enforce or implement the requirement or rule, the resident or person having an interest which is or may be adversely affected may bring an action of mandamus in the district court of the first judicial district of this state, in and for the county of Lewis and Clark, or in the district court of the county in which the land is located. The court, if it finds that a requirement of this part or a rule adopted under this part is not being enforced, shall order the public officer or employee whose duty it is to enforce the requirement or rule to perform his duties. If he fails to do so, the public officer or employee shall be held in contempt of court and is subject to the penalties provided by law.

(3) Any person having an interest that is or may be adversely affected may commence a civil action on his own behalf to compel compliance with this part against any person for the violation of this part or any rule, order, or permit issued hereunder. However, no such action may commence:

(a) prior to 60 days after the plaintiff has given notice in writing to the department and to the alleged violator; or

(b) if the department has commenced and is diligently prosecuting a civil action to require compliance with the provisions of this part or any rule, order, or permit issued hereunder. Any person may intervene as a matter of right in any such civil action. Nothing in this section restricts any right that any person may have under any statute or common law to seek enforcement of this part or the rules adopted hereunder or to seek any other relief.

(4) Any person who is injured in his person or property through the violation by any operator of any rule, order, or permit issued pursuant to this part may bring an action for damages (including reasonable attorney and expert witness fees) only in the county in which the strip- or underground-coal-mining operation complained of is located. Nothing in this subsection affects the rights established by or limits imposed under chapter 71 of Title 39.

(5) The court, in issuing any final order in any action brought pursuant to subsection (3), may award costs of litigation (including attorney and expert witness fees) to any party whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Montana Rules of Civil Procedure.

**History: En. Sec. 22, Ch. 325, L. 1973; amd. Sec. 1, Ch. 295, L. 1975; amd. Sec. 29, Ch. 441, L. 1975; R.C.M. 1947, 50-1055(1), (2); amd. Sec. 3, Ch. 201, L. 1979; amd. Sec. 16, Ch. 550, L. 1979; amd. Sec. 192, Ch. 575, L. 1981.**

**Cross-References**

"Knowingly" defined, 1-1-204, 45-2-101.

Rules for determining residency, 1-1-215.

Contempts, Title 3, ch. 1, part 5.

Injunctions, Title 27, ch. 19.

Mandamus, Title 27, ch. 26.

**82-4-253. Suit for damage to water supply.** (1) An owner of an interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground source other than a subterranean stream having a permanent, distinct, and known channel may sue an operator to recover damages for contamination, diminution, or interruption of the water supply, proximately resulting from strip mining or underground mining.

(2) Prima facie evidence of injury in a suit under this subsection is established by the removal of coal or disruption of overlying aquifer from designated groundwater areas as prescribed in Title 85, chapter 2, part 5. If the area is not a designated groundwater area, a showing that the coal or overlying strata is an aquifer in that geographical location and that the coal or the overlying strata has been removed or disrupted shifts the burden to defendant (operator) to show that plaintiff's (owner's) water supply was not injured thereby.

(3) An owner of water rights adversely affected may file a complaint detailing the loss of his water in quality and quantity with the department. Upon receipt of this complaint the department shall:

(a) investigate the complaint using all available information including monitoring data gathered at the mine site;

(b) require the defendant (operator) to install such monitoring wells or other practices that may be needed to determine the cause of water loss, if there is a loss, in terms of quantity or quality;

(c) issue within 90 days a written finding specifying the cause of the water loss, if there is a loss, in terms of quantity or quality;

(d) order the mining operator in compliance with chapter 2 of Title 85 to replace the water immediately on a temporary basis to provide the needed water and within a reasonable time, replace the water in like quality, quantity, and duration, if the loss is caused by the surface coal mining operation; and

(e) order the suspension of the operator's permit for failure to replace the water, until such time as the operator provides substitute water.

(4) A servient tract of land is not bound to receive surface water contaminated by strip mining or underground mining on a dominant tract of land, and the owner of the servient tract may sue an operator to recover the damages proximately resulting from the natural drainage from the dominant tract of surface waters contaminated by strip mining or underground mining on the dominant tract.

(5) This section and 82-4-252 do not create, modify, or affect any right, liability, or remedy other than as expressly provided.

**History: En. Sec. 22, Ch. 325, L. 1973; amd. Sec. 1, Ch. 295, L. 1975; amd. Sec. 29, Ch. 441, L. 1975; R.C.M. 1947, 50-1055(3) thru (5).**

**Cross-References**

Damages, Title 27, ch. 1, part 2.

Measure of damages, Title 27, ch. 1, part 3.

Authority of Department of Health and Environmental Sciences to establish water quality standards, 75-5-301.

Authority of Department of Health and Environmental Sciences to require monitoring of industry waste waters, 75-5-602.

**82-4-254. Violation — penalty — waiver.** (1) Except as provided in subsection (2), a person or operator who violates any of the provisions of this part, rules or orders adopted under this part, or term or condition of a permit and any director, officer, or agent of a corporation who willfully authorizes, orders, or carries out a violation shall pay a civil penalty of not less than $100 or more than $5,000 for the violation and an additional civil penalty of not less than $100 or more than $5,000 for each day during which a violation continues and may be enjoined from continuing such violations as hereinafter provided in this section. Any person or operator who fails to correct a violation within the period permitted by law, rule of the board or department, or order of the commissioner shall be assessed a penalty of not less than $750 for each day, up to 30 days, during which such failure or violation continues. The period permitted for correction of a violation shall not, in the case of any review proceeding under 82-4-251(6), end until entry of a final order suspending the abatement requirements or until entry of an order of court ordering suspension of the abatement requirements. If the failure to abate continues for more than 30 days, the department shall, within 30 days after such 30-day period, take appropriate action pursuant to 82-4-251(3) or request action under subsection (4) or (6).

(2) The department may waive the civil penalty for a minor violation of this part, a rule or order adopted under this part, or a term or condition of a permit if the department determines such violation is not of potential harm to public health, public safety, or the environment and does not impair the administration of this part. The board of land commissioners shall adopt rules to implement and administer a procedure for waiver of a penalty under this subsection.

(3) The department shall notify the person or operator of the violation. The person or operator shall by filing a written request within 20 days of receipt of the notice of violation be entitled to a hearing on the issues of whether the alleged violation has occurred and whether the penalty proposed

to be assessed is proper. The department shall issue a statement of proposed penalty no more than 10 days after notice of violation. After the hearing or after the time for requesting a hearing has expired, the board shall make findings of fact and shall issue a written decision as to the occurrence of the violation and the amount of penalty warranted and shall order the payment of a penalty in that amount. The person or operator shall remit the amount of the penalty within 30 days of the order. If the person or operator wishes to obtain judicial review of the assessment, he shall submit with the penalty a statement that the penalty is being paid under protest and the department shall hold the payment in escrow until judicial review is complete. Any person or operator who fails to request and submit testimony at the hearing provided for in this subsection or who fails to pay the assessed penalty under protest within 30 days of the order assessing the penalty forfeits his right to seek judicial review of the violation or penalty determinations. These penalties are recoverable in any action brought in the name of the state of Montana by the attorney general in the district court of the first judicial district of this state, in and for the county of Lewis and Clark, or the district having jurisdiction over the defendant.

(4) The attorney general shall, upon request of the commissioner, sue for the recovery of the penalties provided for in this section and bring an action for a restraining order or temporary or permanent injunction against an operator or other person who:

(a) violates, threatens to violate, or fails or refuses to comply with any order or decision issued under this part;

(b) interferes with, hinders, or delays the department in carrying out the provisions of this part;

(c) refuses to admit an authorized representative of the department to the permit area;

(d) refuses to permit inspection of the permit area by an authorized representative of the department;

(e) refuses to furnish any information or report requested by the department in furtherance of the provisions of this part;

(f) refuses to permit access to and copying of such records as the department determines to be necessary in carrying out the provisions of this part.

(5) Any relief granted by a court under subsection (4)(a) continues in effect until the completion or final termination of all proceedings for review of such under this part unless, prior thereto, the district court granting the relief sets it aside or modifies it.

(6) A person who violates any of the provisions of this part or any determination or order adopted under this part or who willfully violates any permit condition issued under this part is guilty of a misdemeanor and shall be fined not less than $500 and not more than $10,000 or imprisoned for not more than 1 year, or both. Each day on which the violation occurs constitutes a separate offense.

(7) Any person who knowingly makes any false statement, representation, or certification or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this part shall upon conviction be punished by a fine of not more than $10,000 or by imprisonment for not more than 1 year, or both.

(8) Any person who except as permitted by law willfully resists, prevents, impedes, or interferes with the department or its agents in the performance of duties pursuant to this part shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or both.

(9) No employee of the department performing any function or duty under this part shall have a direct or indirect financial interest in any strip- or underground-coal-mining operation. Whoever knowingly violates the provisions of this subsection shall upon conviction be punished by a fine of not more than $2,500 or by imprisonment of not more than 1 year, or both.

**History: En. Sec. 23, Ch. 325, L. 1973; R.C.M. 1947, 50-1056; amd. Sec. 17, Ch. 550, L. 1979; amd. Sec. 5, Ch. 437, L. 1981; amd. Sec. 1, Ch. 499, L. 1983; amd. Sec. 1, Ch. 24, L. 1985; amd. Sec. 1, Ch. 217, L. 1985.**

**Cross-References**

"Willfully" defined, 1-1-204.

"Knowingly" defined, 1-1-204, 45-2-101.

Contested administrative cases, Title 2, ch. 4, part 6.

Appeal of contested administrative cases, Title 2, ch. 4, part 7.

Persons subject to jurisdiction — process — service, Rule 4, M.R.Civ.P. (see Title 25, ch. 20).

Injunctions, Title 27, ch. 19.

Criminal responsibilities of corporations, 45-2-311.

Place of imprisonment when none specified, 46-18-211.

Disposition of fines and forfeitures, 46-18-603, 82-4-241.

"Person" defined, 82-4-203.

## Part 3

## Metal Mine Reclamation

**Part Cross-References**

Prospecting permits and mining leases on state lands, Title 77, ch. 3, part 1.

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-301. Legislative findings.** The extraction of mineral by mining is a basic and essential activity making an important contribution to the economy of the state and the nation. At the same time, proper reclamation of mined land and former exploration areas not brought to mining stage is necessary to prevent undesirable land and surface water conditions detrimental to the general welfare, health, safety, ecology, and property rights of the citizens of the state. Mining and exploration for minerals take place in diverse areas where geological, topographical, climatic, biological, and sociological conditions are significantly different, and reclamation specifications must vary accordingly. It is not practical to extract minerals or explore for minerals required by our society without disturbing the surface or subsurface of the earth and without producing waste materials, and the very character of many types of mining operations precludes complete restoration of the land to its original condition. The legislature finds that land reclamation as provided in this part will allow exploration for and mining of valuable minerals while adequately providing for the subsequent beneficial use of the lands to be reclaimed.

**History: En. Sec. 1, Ch. 252, L. 1971; R.C.M. 1947, 50-1201.**

**82-4-302. Purpose.** (1) The purposes of this part are to provide:

(a) that the usefulness, productivity, and scenic values of all lands and surface waters involved in mining and mining exploration within the boundaries and lawful jurisdiction of the state will receive the greatest reasonable degree of protection and reclamation to beneficial use;

(b) authority for cooperation between private and governmental entities in carrying this part into effect;

(c) for the recognition of the recreational and aesthetic values of land as a benefit to the state of Montana; and

(d) priorities and values to the aesthetics of our landscape, waters, and ground cover.

(2) Although both the need for and the practicability of reclamation will control the type and degree of reclamation in any specific instance, the basic objective will be to establish, on a continuing basis, the vegetative cover, soil stability, water condition, and safety condition appropriate to any proposed subsequent use of the area.

**History: En. Sec. 2, Ch. 252, L. 1971; R.C.M. 1947, 50-1202.**

**82-4-303. Definitions.** As used in this part, unless the context indicates otherwise, the following definitions apply:

(1) "Abandonment of surface or underground mining" may be presumed when it is shown that continued operation will not resume.

(2) "Board" means the board of land commissioners or a state employee or state agency as may succeed to its powers and duties under this part.

(3) "Cyanide ore-processing reagent" means cyanide or a cyanide compound used as a reagent in leaching operations.

(4) "Department" means the department of state lands.

(5) "Disturbed land" means that area of land or surface water disturbed, beginning at the date of the issuance of the permit, and it comprises that area from which the overburden, tailings, waste materials, or minerals have been removed and tailings ponds, waste dumps, roads, conveyor systems, leach dumps, and all similar excavations or covering resulting from the operation and which have not been previously reclaimed under the reclamation plan.

(6) "Exploration" means all activities conducted on or beneath the surface of lands resulting in material disturbance of the surface for the purpose of determining the presence, location, extent, depth, grade, and economic viability of mineralization in those lands, if any, other than mining for production and economic exploitation, as well as all roads made for the purpose of facilitating exploration, except as noted in 82-4-310.

(7) "Mineral" means any ore, rock, or substance, other than oil, gas, bentonite, clay, coal, sand, gravel, phosphate rock, or uranium, taken from below the surface or from the surface of the earth for the purpose of milling, concentration, refinement, smelting, manufacturing, or other subsequent use or processing or for stockpiling for future use, refinement, or smelting.

(8) "Mining" commences when the operator first mines ores or minerals in commercial quantities for sale, beneficiation, refining, or other processing or disposition or first takes bulk samples for metallurgical testing in excess of aggregate of 10,000 short tons.

(9) "Ore processing" means milling, heap leaching, flotation, vat leaching, or other standard hard-rock mineral concentration processes.

(10) "Person" means any person, corporation, firm, association, partnership, or other legal entity engaged in exploration for or mining of minerals on or below the surface of the earth, reprocessing of tailings or waste materials, or operation of a hard-rock mill.

(11) "Placer deposit" means naturally occurring, scattered or unconsolidated valuable minerals in gravel or alluvium lying above bedrock.

(12) "Placer or dredge mining" means the mining of minerals from a placer deposit by a person or persons.

(13) "Reclamation plan" means the operator's written proposal, as required and approved by the board, for reclamation of the land that will be disturbed. The proposal shall include, to the extent practical at the time of application for an operating permit:

(a) a statement of the proposed subsequent use of the land after reclamation;

(b) plans for surface gradient restoration to a surface suitable for the proposed subsequent use of the land after reclamation is completed and the proposed method of accomplishment;

(c) the manner and type of revegetation or other surface treatment of disturbed areas;

(d) procedures proposed to avoid foreseeable situations of public nuisance, endangerment of public safety, damage to human life or property, or unnecessary damage to flora and fauna in or adjacent to the area;

(e) the method of disposal of mining debris;

(f) the method of diverting surface waters around the disturbed areas where necessary to prevent pollution of those waters or unnecessary erosion;

(g) the method of reclamation of stream channels and stream banks to control erosion, siltation, and pollution;

(h) maps and other supporting documents as may be reasonably required by the department; and

(i) a time schedule for reclamation that meets the requirements of 82-4-336.

(14) (a) "Small miner" means a person, firm, or corporation that engages in the business of mining or reprocessing of tailings or waste materials that does not remove from the earth during any calendar year material in excess of 36,500 tons in the aggregate, that does not hold an operating permit under 82-4-335 except for a permit issued under 82-4-335(2), and that conducts:

(i) an operation resulting in not more than 5 acres of the earth's surface being disturbed and unreclaimed; or

(ii) two operations which disturb and leave unreclaimed less than 5 acres per operation if the respective mining properties are:

(A) the only operations engaged in by the person, firm, or corporation;

(B) at least 1 mile apart at their closest point; and

(C) not operated simultaneously except during seasonal transitional periods not to exceed 30 days.

(b) For the purpose of this definition only, the department shall, in computing the area covered by the operation, exclude access or haulage roads that are required by a local, state, or federal agency having jurisdiction over that road to be constructed to certain specifications if that public agency notifies the department in writing that it desires to have the road remain in use and will maintain it after mining ceases.

(15) "Surface mining" means all or any part of the process involved in mining of minerals by removing the overburden and mining directly from the mineral deposits exposed, including but not limited to open-pit mining of minerals naturally exposed at the surface of the earth, mining by the auger

method, and all similar methods by which earth or minerals exposed at the surface are removed in the course of mining. Surface mining does not include the extraction of oil, gas, bentonite, clay, coal, sand, gravel, phosphate rock, or uranium or excavation or grading conducted for on-site farming, on-site road construction, or other on-site building construction.

(16) "Underground mining" means all methods of mining other than surface mining.

(17) "Unit of surface-mined area" means that area of land and surface water included within an operating permit actually disturbed by surface mining during each 12-month period of time, beginning at the date of the issuance of the permit, and it comprises and includes the area from which overburden or minerals have been removed, the area covered by mining debris, and all additional areas used in surface mining or underground mining operations which by virtue of mining use are susceptible to erosion in excess of the surrounding undisturbed portions of land.

(18) "Vegetative cover" means the type of vegetation, grass, shrubs, trees, or any other form of natural cover considered suitable at time of reclamation.

**History: En. Sec. 3, Ch. 252, L. 1971; amd. Sec. 1, Ch. 281, L. 1974; amd. Sec. 13, Ch. 39, L. 1977; amd. Sec. 1, Ch. 423, L. 1977; R.C.M. 1947, 50-1203; amd. Sec. 1, Ch. 588, L. 1979; amd. Sec. 1, Ch. 386, L. 1985; amd. Sec. 1, Ch. 453, L. 1985; amd. Sec. 1, Ch. 93, L. 1989; amd. Sec. 1, Ch. 346, L. 1989; amd. Sec. 1, Ch. 347, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 93 near end of definition of exploration deleted reference to 82-4-305; and in definition of small miner, in (a)(i), substituted "an operation" for "operations".

Chapter 346 inserted definitions of placer deposit and placer or dredge mining; and made minor changes in phraseology. Amendment effective July 1, 1989.

Chapter 347 inserted definition of cyanide ore-processing reagent; in definition of small miner, near end of (a) after "82-4-335", inserted "except for a permit issued under 82-4-335(2)"; and made minor changes in phraseology. Amendment effective July 1, 1989.

*Applicability Date:* Section 4, Ch. 346, L. 1989, provided: "[This act] applies to any placer or dredge mining operation for which a small-miner exemption has not been obtained before July 1, 1989."

**82-4-304. Exemption — works performed prior to promulgation of rules.** No provision of this part shall be applicable to any exploration or mining work performed prior to the date of promulgation of the board's rules pursuant to 82-4-321 relating to exploration and mining. No provision of this part is applicable to the reprocessing of tailings or waste rock that occurred prior to the date of promulgation of the board's rules regarding those activities. If, after the date of promulgation of rules applicable to mills not located at a mine site, work is performed at such a mill that was constructed and operated before promulgation of those rules, this part applies only to the areas initially disturbed after promulgation of those rules.

**History: En. Sec. 19, Ch. 252, L. 1971; R.C.M. 1947, 50-1219; amd. Sec. 4, Ch. 201, L. 1979; amd. Sec. 2, Ch. 453, L. 1985.**

**Cross-References**

Adoption and publication of administrative rules, Title 2, ch. 4, part 3.

**82-4-305. Exemption — small miners — written agreement.** (1) Except as provided in subsections (3) through (7), the provisions of this part do not apply to any small miner if the small miner annually agrees in writing:

(a) that he will not pollute or contaminate any stream;

(b) that he will provide protection for human and animal life through the installation of bulkheads installed over safety collars and the installation of doors on tunnel portals;

(c) that he will provide a map locating his mining operations. The map must be of a size and scale determined by the department.

(d) if the small miner's operations are placer or dredge mining, that he shall reclaim all land disturbed by the operations to comparable utility and stability as that of adjacent areas.

(2) For small-miner exemptions obtained after September 30, 1985, a small miner may not obtain or continue an exemption under subsection (1) unless he annually certifies in writing:

(a) if the small miner is a natural person, that:

(i) no business association or partnership of which he is a member or partner has a small-miner exemption; and

(ii) no corporation of which he is an officer, director, or owner of record of 25% or more of any class of voting stock has a small-miner exemption; or

(b) if the small miner is a partnership or business association, that:

(i) none of the associates or partners holds a small-miner exemption; and

(ii) none of the associates or partners is an officer, director, or owner of 25% or more of any class of voting stock of a corporation that has a small-miner exemption; or

(c) if the small miner is a corporation, that no officer, director, or owner of record of 25% or more of any class of voting stock of the corporation:

(i) holds a small-miner exemption;

(ii) is a member or partner in a business association or partnership that holds a small-miner exemption;

(iii) is an officer, director, or owner of record of 25% or more of any class of voting stock of another corporation that holds a small-miner exemption.

(3) A small miner whose operations are placer or dredge mining shall post a performance bond equal to the state's actual cost of reclaiming the disturbed land, although the bond may not exceed $5,000 per operation. However, if the small miner has posted a bond for reclamation with another government agency, he is exempt from the requirement of this subsection.

(4) If a small miner who conducts a placer or dredge mining operation fails to reclaim the operation, he is liable to the department for all its reasonable costs of reclamation, including a reasonable charge for services performed by state personnel and state materials and equipment used. If the small miner posts a surety bond, the surety is liable to the state to the extent of the bond amount and the small miner is liable for the remainder of the reasonable costs to the state of reclaiming the operation.

(5) If a small miner who conducts a placer or dredge mining operation fails to commence reclamation of the operation within 6 months after cessation of mining or within an extended period allowed by the department for good cause shown or if the small miner fails to diligently complete reclamation, the department shall notify the small miner by certified mail that it intends to reclaim the operation unless the small miner commences reclamation within 30 days and diligently completes the reclamation. The notice must be mailed to the address stated on the small miner exclusion statement or, if the small miner has notified the department of a different address by letter or in the annual certification form, to the most recent address given to

the department. If the small miner fails to commence reclamation within 30 days or to diligently complete reclamation, the department may revoke the small miner exclusion statement, forfeit any bond that has been posted with the department, and enter and reclaim the operation. If the small miner has not posted a bond with the department or if the reasonable costs of reclamation exceed the amount of the bond, the department may also collect additional reclamation costs, as set forth in subsection (6), before or after it incurs those costs.

(6) To collect additional reclamation costs, the department shall notify the small miner by certified mail, at the address determined under subsection (5), of the additional reasonable reclamation costs and request payment within 30 days. If the small miner does not pay the additional reclamation costs within 30 days, the department may bring an action in district court for payment of the estimated future costs and, if the department has performed any reclamation, of its reasonable actual costs. The court shall order payment of costs it determines to be reasonable and shall retain jurisdiction until reclamation of the operation is completed. Upon completion of reclamation, the court shall order payment of any additional costs it deems reasonable or the refund of any portion of any payment for estimated costs that exceeds the actual reasonable costs incurred by the department.

(7) A small miner who intends to use a cyanide ore-processing reagent shall obtain an operating permit for that part of his operation where the cyanide ore-processing reagent will be used or disposed of.

(8) The exemption provided in this section does not apply to a person whose failure to comply with the provisions of this part, the rules adopted under this part, or a permit or license issued under this part has resulted in the forfeiture of a bond unless that person meets the conditions described under 82-4-360.

**History: En. Sec. 20, Ch. 252, L. 1971; amd. Sec. 15, Ch. 391, L. 1973; amd. Sec. 10, Ch. 281, L. 1974; R.C.M. 1947, 50-1220; amd. Sec. 2, Ch. 588, L. 1979; amd. Sec. 2, Ch. 386, L. 1985; amd. Sec. 2, Ch. 93, L. 1989; amd. Sec. 2, Ch. 346, L. 1989; amd. Sec. 2, Ch. 347, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 93 inserted (8) disallowing the exemption of certain persons unless the provisions of 82-4-360 are met; and made minor changes in phraseology and form.

Chapter 346 at beginning of (1) inserted exception clause; inserted (1)(d) relating to reclamation of placer or dredge mining operations; inserted (3) requiring posting of a performance bond; inserted (4) establishing liability for failure to reclaim placer or dredge operations; inserted (5) regarding notification of Department reclamation; inserted (6) relating to collection of additional reclamation costs; and made minor changes in phraseology. Amendment effective July 1, 1989.

Chapter 347 at beginning of (1) inserted exception clause; inserted (7) requiring an operating permit for cyanide ore-processing reagent operations; and made minor changes in phraseology. Amendment effective July 1, 1989.

*Applicability Date:* Section 4, Ch. 346, L. 1989, provided: "[This act] applies to any placer or dredge mining operation for which a small-miner exemption has not been obtained before July 1, 1989."

**Cross-References**

Penalty for violation of conditions of small-miner exemption, 82-4-361.

**82-4-306. Confidentiality of application information.** Any and all information obtained by the board or by the director or his staff by virtue of applications for exploration licenses and all information obtained from small miners is confidential between the board and the applicant, except as to the name of the applicant and the county of proposed operation; provided that all activities conducted subsequent to exploration and other associated facilities shall be public information and conducted under an operating permit. It is further provided that any information obtained by the board or by the director or his staff by virtue of such applications is properly admissible in any hearing conducted by the director, the board, appeals board, or in any judicial proceeding to which the director and the applicant are parties and is not confidential when a violation of the part or rules has been determined by the department or by judicial order. Failure to comply with the secrecy provisions of this part shall be punishable by a fine of up to $1,000.

**History: En. Sec. 21, Ch. 252, L. 1971; amd. Sec. 1, Ch. 37, L. 1975; R.C.M. 1947, 50-1221; amd. Sec. 193, Ch. 575, L. 1981.**

**Cross-References**

Public records generally, Title 2, ch. 6, part 1.

Proof of official records, Rule 44, M.R.Civ.P. (see Title 25, ch. 20).

Admissibility of public records, Rule 803(8), Montana Rules of Evidence (see Title 26, ch. 10).

Disposition of fines and forfeitures, 46-18-603, 82-4-311.

Administrative procedure, 82-4-353.

**82-4-307. Review of existing files.** Existing departmental files shall be reviewed, and their contents shall be segregated and available for public inspection to the same extent as new files under 82-4-306.

**History: En. 50-1221.1 by Sec. 2, Ch. 37, L. 1975; R.C.M. 1947, 50-1221.1.**

**82-4-308. Release by waiver.** An applicant may release the board and department from the confidentiality requirements of this part by notarized waiver to that effect on forms to be provided by the department.

**History: En. 50-1221.2 by Sec. 3, Ch. 37, L. 1975; R.C.M. 1947, 50-1221.2.**

**82-4-309. Exemption — operations on federal lands.** This part shall not be applicable to operations on certain federal lands as specified by the board, provided it is first determined by the board that federal law or regulations issued by the federal agency administering such land impose controls for reclamation of said lands substantially equal to or greater than those imposed by this part.

**History: En. Sec. 23, Ch. 252, L. 1971; R.C.M. 1947, 50-1223.**

**Cross-References**

Jurisdiction of the state, Title 2, ch. 1, part 1.

State jurisdiction in federal enclaves, 2-1-201.

**82-4-310. Exemption — sample collectors.** This part shall not be applicable to any person or persons collecting rock samples as a hobby or when the collection of rocks and minerals is offered for sale in any amount not exceeding $100 per year.

**History: En. Sec. 24, Ch. 252, L. 1971; R.C.M. 1947, 50-1224.**

**82-4-311. Hard-rock mining account.** All fees, fines, penalties, and other uncleared moneys which have been or will be paid to the department of state lands under the provisions of this part shall be placed in the state special revenue fund in the state treasury and credited to a special account to be designated as the hard-rock mining and reclamation account. This account shall be available to the department by appropriation and shall be expended for the research, reclamation, and revegetation of land and the rehabilitation of water affected by any mining operations. Any unencumbered and any unexpended balance of this account remaining at the end of a fiscal year shall not lapse but shall be carried forward for the purposes of this section until expended or until appropriated by subsequent legislative action.

**History:** En. 50-1227 by Sec. 1, Ch. 29, L. 1977; R.C.M. 1947, 50-1227; amd. Sec. 1, Ch. 277, L. 1983.

**Cross-References**

No money expended except upon appropriation, Art. VIII, sec. 14, Mont. Const., 17-8-101.

"Fiscal year" defined, 17-2-110.

Reversion of unexpended appropriation, 17-7-304.

### 82-4-312 through 82-4-320 reserved.

**82-4-321. Administration.** The board is charged with the responsibility of administering this part. In order to implement its terms and provisions, the board shall from time to time promulgate such rules as the board shall deem necessary. The board may delegate such powers, duties, and functions to the department as it deems necessary for the performance of its duties as administrator of this part. The board shall employ experienced, qualified persons in the field of mined-land reclamation who, for the purpose of this part, are referred to as supervisors.

**History:** En. Sec. 4, Ch. 252, L. 1971; amd. Sec. 2, Ch. 281, L. 1974; R.C.M. 1947, 50-1204.

**Cross-References**

Board of Land Commissioners created, Art. X, sec. 4, Mont. Const.

Adoption and publication of administrative rules, Title 2, ch. 4, part 3.

Department of State Lands created, 2-15-3201.

**82-4-322. Investigations, research, and experiments.** The board shall have the authority to conduct or authorize investigations, research, experiments, and demonstrations in reclamation and to collect and disseminate nonconfidential information relating to mining.

**History:** En. Sec. 5, Ch. 252, L. 1971; R.C.M. 1947, 50-1205.

**82-4-323. Interagency cooperation — receipt and expenditure of funds.** The board shall cooperate with other governmental and private agencies in this state and other states and agencies of the federal government and may reasonably compensate them for any services the board requests that they provide. The board may receive federal funds, state funds, and any other funds and, within the limits imposed by the grant, expend them for reclamation of land affected by mining or exploration and for purposes enumerated in 82-4-336.

**History:** En. Sec. 6, Ch. 252, L. 1971; R.C.M. 1947, 50-1206.

### 82-4-324 through 82-4-330 reserved.

**82-4-331. Exploration license required — employees included — limitation.** (1) A person may not engage in exploration in the state without first obtaining an exploration license from the board. A license must be issued for a period of 1 year from date of issue and is renewable from year to year on application. An application for renewal must be filed within 30 days preceding the expiration of the current license and be accompanied by payment of a fee as required for a new license. A license may not be renewed if the applicant for renewal is in violation of any provision of this part. A license is subject to suspension and revocation as provided by this part.

(2) Employees of persons holding a valid license under this part are included in and covered by the license.

(3) A person may not be issued an exploration license if that person's failure to comply with the provisions of this part, the rules adopted under this part, or a permit or license issued under this part has resulted in the forfeiture of a bond unless that person meets the conditions described in 82-4-360.

**History: En. Sec. 7, Ch. 252, L. 1971; amd. Sec. 3, Ch. 281, L. 1974; R.C.M. 1947, 50-1207(part); amd. Sec. 3, Ch. 588, L. 1979; amd. Sec. 3, Ch. 93, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning of fourth sentence of (1) inserted "A license may not be renewed if", after "renewal is" deleted "not then held by the board to be", and at end of sentence substituted "part" for "law"; inserted (3) disallowing the issuance of an exploration license unless the provisions of 82-4-360 are met; and made minor changes in phraseology.

**Cross-References**

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-332. Exploration license.** (1) An exploration license shall be issued to any applicant therefor who shall:

(a) pay a fee of $5 to the board;

(b) agree to reclaim any surface area damaged by the applicant during exploration operations, as may be reasonably required by the board;

(c) not be in default of any other reclamation obligation under this law.

(2) An application for an exploration license shall be made in writing, notarized, and submitted to the department in duplicate upon forms prepared and furnished by it. The application shall include an exploration map or sketch in sufficient detail to locate the area to be explored and to determine whether significant environmental problems would be encountered. The department shall by rule determine the precise nature of such exploration map or sketch. The applicant must state what type of prospecting and excavation techniques will be employed in disturbing the land.

(3) Upon filing of any certificate of claim location as permitted by federal and state mining laws and regulations, the locator shall provide copies of the certificate to the board.

(4) Prior to the issuance of an exploration license, the applicant shall file with the department a reclamation and revegetation bond in a form and amount as determined by the department in accordance with 82-4-338.

(5) In the event that the holder of an exploration license desires to mine the area covered by the exploration license and has fulfilled all of the requirements for an operating permit, the department shall allow the postponement of the reclamation of the acreage explored if that acreage is incorporated into the complete reclamation plan submitted with the application for an operating permit. Any land actually affected by exploration or excavation under an exploration license and not covered by the operating reclamation plan shall be reclaimed within 2 years after the completion of exploration or abandonment of the site in a manner acceptable to the department.

**History: En. Sec. 7, Ch. 252, L. 1971; amd. Sec. 3, Ch. 281, L. 1974; R.C.M. 1947, 50-1207(2); amd. Sec. 5, Ch. 201, L. 1979; amd. Sec. 4, Ch. 588, L. 1979.**

**Cross-References**

Certificate of claim location to be filed, 82-2-102.

**82-4-333. Repealed.** Sec. 8, Ch. 588, L. 1979.

**History: En. Sec. 7, Ch. 252, L. 1971; amd. Sec. 3, Ch. 281, L. 1974; R.C.M. 1947, 50-1207(3), (4).**

**82-4-334. Exception — geological phenomena.** Upon proper application by the holder of an exploration license, the board may excuse such holder from reclamation obligations with reference to any specified openings or excavations exposing geological indications or phenomena of especial interest, even though the licensee does not apply or have any intention to apply for an operating permit for the land in which such openings or excavations have been made.

**History: En. Sec. 7, Ch. 252, L. 1971; amd. Sec. 3, Ch. 281, L. 1974; R.C.M. 1947, 50-1207(6); amd. Sec. 5, Ch. 588, L. 1979.**

**82-4-335. Operating permit — limitation.** (1) A person may not engage in mining, ore processing, or reprocessing of tailings or waste material, construct or operate a hard-rock mill, use cyanide ore-processing reagents, or disturb land in anticipation of those activities in the state without first obtaining an operating permit from the board. A separate operating permit is required for each complex.

(2) A small miner who intends to use a cyanide ore-processing reagent shall obtain an operating permit for that part of his operation where the cyanide ore-processing reagent will be used or disposed of.

(3) Prior to receiving an operating permit from the board, a person shall pay the basic permit fee of $25 and shall submit an application on a form provided by the board, which must contain the following information and any other pertinent data required by rule:

(a) name and address of the operator and, if a corporation or other business entity, the name and address of its principal officers, partners, and the like and its resident agent for service of process, if required by law;

(b) minerals expected to be mined;

(c) a proposed reclamation plan;

(d) expected starting date of operations;

(e) a map showing the specific area to be mined and the boundaries of the land which will be disturbed, topographic detail, the location and names of all streams, roads, railroads, and utility lines on or immediately adjacent to the area, location of proposed access roads to be built, and the names and addresses of the surface and mineral owners of all lands within the mining area, to the extent known to the applicant;

(f) types of access roads to be built and manner of reclamation of road sites on abandonment;

(g) a plan which will provide, within limits of normal operating procedures of the industry, for completion of the operation;

(h) ground water and surface water hydrologic data gathered from a sufficient number of sources and length of time to characterize the hydrologic regime;

(i) a plan detailing the design, operation, and monitoring of impounding structures, including but not limited to tailings impoundments and water reservoirs, sufficient to ensure that the structures are safe and stable;

(j) a plan identifying methods to be used to monitor for the accidental discharge of objectionable materials and remedial action plans to be used to control and mitigate discharges to surface or ground water; and

(k) an evaluation of the expected life of any tailings impoundment or waste area and the potential for expansion of the tailings impoundment or waste site.

(4) Except as provided in subsection (6), the permit provided for in subsection (1) for a large-scale mineral development as defined in 90-6-302 must be conditioned to provide that activities under the permit may not commence until the impact plan is approved under 90-6-307 and until the permittee has provided a written guarantee to the department and to the hard-rock mining impact board of compliance within the time schedule with the commitment made in the approved impact plan, as provided in 90-6-307. If the permittee does not comply with that commitment within the time scheduled, the board, upon receipt of written notice from the hard-rock mining impact board, shall suspend the permit until it receives written notice from the hard-rock mining impact board that the permittee is in compliance.

(5) When the department determines that a permittee has become or will become a large-scale mineral developer pursuant to 82-4-339 and 90-6-302(4) and provides notice as required under 82-4-339, within 6 months of receiving the notice, the permittee shall provide the board with proof that he has obtained a waiver of the impact plan requirement from the hard-rock mining impact board or that he has filed an impact plan with the hard-rock mining impact board and the appropriate county or counties. If the permittee does not file the required proof or if the hard-rock mining impact board certifies to the board that the permittee has failed to comply with the hard-rock mining impact review and implementation requirements in Title 90, chapter 6, parts 3 and 4, the board shall suspend the permit until the permittee files the required proof or until the hard-rock mining impact board certifies that the permittee has complied with the hard-rock mining impact review and implementation requirements.

(6) Compliance with 90-6-307 is not required for exploration and bulk sampling for metallurgical testing when the aggregate samples are less than 10,000 tons.

(7) A person may not be issued an operating permit if that person's failure to comply with the provisions of this part, the rules adopted under this part, or a permit or license issued under this part has resulted in the forfeiture of a bond unless that person meets the conditions described in 82-4-360.

**History: En. Sec. 8, Ch. 252, L. 1971; amd. Sec. 4, Ch. 281, L. 1974; R.C.M. 1947, 50-1208; amd. Sec. 6, Ch. 588, L. 1979; amd. Sec. 13, Ch. 617, L. 1981; amd. Sec. 1, Ch. 489, L. 1983; amd. Sec. 1, Ch. 345, L. 1985; amd. Sec. 3, Ch. 453, L. 1985; amd. Sec. 2, Ch. 582, L. 1985; amd. Sec. 1, Ch. 311, L. 1987; amd. Sec. 4, Ch. 93, L. 1989; amd. Sec. 3, Ch. 347, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 93 inserted (7) disallowing issuance of an operating permit to certain persons unless the provisions of 82-4-360 are met; and made minor changes in phraseology.

Chapter 347 near middle of (1), after "hard-rock mill", inserted "use cyanide ore-processing reagents"; inserted (2) requiring an operating permit for cyanide ore-processing reagent operations; in (4) corrected internal reference; and made minor changes in phraseology. Amendment effective July 1, 1989.

*Registration of Cyanide Ore-Processing Operations — Temporary Applicability:* Section 4, Ch. 347, L. 1989, provided: "An existing facility that uses a cyanide ore-processing reagent and was not, prior to July 1, 1989, required to obtain an operating permit for the facility or to include the facility in an operating permit is not subject to [this act] if the facility is registered by January 1, 1990, by the owner or operator, on a form provided by the department." See statement of intent to Ch. 347, L. 1989.

**Cross-References**

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-336. Reclamation plan and specific reclamation requirements.** (1) The reclamation plan shall provide that reclamation activities, particularly those relating to control of erosion, to the extent feasible, shall be conducted simultaneously with the operation and in any case shall be initiated promptly after completion or abandonment of the operation on those portions of the complex that will not be subject to further disturbance. In the absence of an order by the board providing a longer period, the plan shall provide that reclamation activities shall be completed not more than 2 years after completion or abandonment of the operation on that portion of the complex.

(2) In the absence of emergency or suddenly threatened or existing catastrophe, an operator may not depart from an approved plan without previously obtaining from the department written approval of his proposed change.

(3) Provision shall be made to avoid accumulation of stagnant water in the mined area which may serve as a host or breeding ground for mosquitoes or other disease-bearing or noxious insect life.

(4) All final grading shall be made with nonnoxious, nonflammable, noncombustible solids unless approval has been granted by the board for a supervised sanitary fill.

(5) Where mining has left an open pit exceeding 2 acres of surface area and the composition of the floor or walls of the pit are likely to cause formation of acid, toxic, or otherwise pollutive solutions (hereinafter "objectionable effluents") on exposure to moisture, the reclamation plan shall include provisions which adequately provide for:

(a) insulation of all faces from moisture or water contact by covering to a depth of 2 feet or more with material or fill not susceptible itself to generation of objectionable effluents;

(b) processing of any objectionable effluents in the pit before their being allowed to flow or be pumped out of it to reduce toxic or other objectionable ratios to a level considered safe to humans and the environment by the board;

(c) drainage of any objectionable effluents to settling or treatment basins when the objectionable effluents must be reduced to levels considered safe by the board before release from the settling basin; or

(d) absorption or evaporation of objectionable effluents in the open pit itself; and

(e) prevention of entrance into the open pit by persons or livestock lawfully upon adjacent lands by fencing, warning signs, and such other devices as may reasonably be required by the board.

(6) Provisions for vegetative cover shall be required in the reclamation plan if appropriate to the future use of the land as specified in the reclamation plan. The reestablished vegetative cover shall meet county standards for noxious weed control.

(7) The reclamation plan shall provide for the reclamation of all disturbed land. Proposed reclamation shall provide for the reclamation of disturbed land to comparable utility and stability as that of adjacent areas, except for open pits and rock faces which may not be feasible to reclaim. In such excepted cases, the board shall require sufficient measures to insure public safety and to prevent the pollution of air or water and the degradation of adjacent lands.

(8) A reclamation plan shall be approved by the board if it adequately provides for the accomplishment of the activities specified in this section.

(9) The reclamation plan shall provide for permanent landscaping and contouring to minimize the amount of precipitation that infiltrates into disturbed areas, including but not limited to tailings impoundments and waste

rock dumps. The plan shall also provide measures to prevent objectionable postmining ground water discharges.

**History: En. Sec. 9, Ch. 252, L. 1971; amd. Sec. 5, Ch. 281, L. 1974; amd. Sec. 14, Ch. 39, L. 1977; R.C.M. 1947, 50-1209; amd. Sec. 2, Ch. 345, L. 1985; amd. Sec. 4, Ch. 453, L. 1985.**

**Cross-References**

County weed control, Title 7, ch. 22, part 21.

Denial of operating permit for failure of reclamation plan to comply with air quality, water quality, or public water treatment criteria, 82-4-351.

**82-4-337. Inspection — issuance of operating permit — modification.** (1) (a) The board shall cause all applications for operating permits to be reviewed for completeness within 30 days of receipt. The board shall notify the applicant concerning completeness as soon as possible. An application is considered complete unless the applicant is notified of any deficiencies within 30 days of receipt.

(b) Unless the review period is extended as provided in this section, the board shall review the adequacy of the proposed reclamation plan and plan of operation within 30 days of the determination that the application is complete or within 60 days of receipt of the application if the board does not notify the applicant of any deficiencies in the application. If the applicant is not notified of deficiencies or inadequacies in the proposed reclamation plan and plan of operation within such time period, the operating permit shall be issued upon receipt of the bond as required in 82-4-338. The department shall promptly notify the applicant of the form and amount of bond which will be required. No permit may be issued until sufficient bond has been submitted pursuant to 82-4-338.

(c) (i) Prior to issuance of a permit, the department shall inspect the site unless the department has failed to act on the application within the time prescribed in subsection (1)(b). If the site is not accessible due to extended adverse weather conditions, the department may extend the time period prescribed in subsection (1)(b) by not more than 180 days to allow inspection of the site and reasonable review. The department must serve written notice of extension upon the applicant in person or by certified mail, and any such extension is subject to appeal to the board in accordance with the Montana Administrative Procedure Act.

(ii) If the department determines that additional time is needed to review the application and reclamation plan for a major operation, the department and the applicant shall negotiate to extend the period prescribed in subsection (1)(b) by not more than 365 days in order to permit reasonable review.

(iii) Failure of the board to act upon a complete application within the extension period constitutes approval of the application, and the permit shall be issued promptly upon receipt of the bond as required in 82-4-338.

(2) The operating permit shall be granted for the period required to complete the operation and shall be valid until the operation authorized by the permit is completed or abandoned unless the permit is suspended or revoked by the board as provided in this part.

(3) The operating permit shall provide that the reclamation plan may be modified by the board, upon proper application of the permittee or department, after timely notice and opportunity for hearing, at any time during the term of the permit and for any of the following reasons:

(a) to modify the requirements so they will not conflict with existing laws;

(b) when the previously adopted reclamation plan is impossible or impracticable to implement and maintain;

(c) when significant environmental problem situations are revealed by field inspection.

**History: En. Sec. 10, Ch. 252, L. 1971; amd. Sec. 6, Ch. 281, L. 1974; amd. Sec. 1, Ch. 427, L. 1977; R.C.M. 1947, 50-1210(1), (2); amd. Sec. 7, Ch. 588, L. 1979; amd. Sec. 5, Ch. 453, L. 1985.**

**Cross-References**

Contested administrative cases, Title 2, ch. 4, part 6.

**82-4-338. Performance bond.** (1) The applicant shall file with the department a bond payable to the state of Montana with surety satisfactory to the department in the penal sum to be determined by the department of not less than $200 or more than $2,500 for each acre or fraction thereof of the disturbed area, conditioned upon the faithful performance of the requirements of this part and the rules of the board. In lieu of such bond, the applicant may file with the board a cash deposit, an assignment of a certificate of deposit, or other surety acceptable to the board. Regardless of the above limits, the bond shall not be less than the estimated cost to the state to complete the reclamation of the disturbed land. A public or governmental agency shall not be required to post a bond under the provisions of this part. A blanket performance bond covering two or more operations may be accepted by the board. Such blanket bond shall adequately secure the estimated total number of acres of disturbed land. When determined by the department that the set bonding level of a permit or license does not represent the present costs of reclamation, the department may modify the bonding requirements of that permit or license.

(2) No bond filed in accordance with the provisions of this part shall be released by the department until the provisions of this part, the rules adopted pursuant thereto, and this reclamation plan have been fulfilled.

(3) No bond filed for an operating permit obtained under 82-4-335 may be released until the public has been provided an opportunity for a hearing.

**History: En. Sec. 11, Ch. 252, L. 1971; amd. Sec. 7, Ch. 281, L. 1974; R.C.M. 1947, 50-1211; amd. Sec. 3, Ch. 345, L. 1985.**

**Cross-References**

Surety bonds and companies, Title 28, ch. 11, part 4; Title 33, ch. 26, part 1.

**82-4-339. Annual report of activities by permittee — fee — notice of large-scale mineral developer status.** (1) Within 30 days after completion or abandonment of operations on an area under permit or within 30 days after each anniversary date of the permit, whichever is earlier, or at such later date as may be provided by rules of the board and each year thereafter until reclamation is completed and approved, the permittee shall pay the annual fee of $25 and shall file a report of activities completed during the preceding year on a form prescribed by the board which report shall:

(a) identify the permittee and the permit number;

(b) locate the operation by subdivision, section, township, and range and with relation to the nearest town or other well-known geographic feature;

(c) estimate acreage to be newly disturbed by operation in the next 12-month period;

(d) include the number of persons on the payroll for the previous permit year and for the next permit year at intervals that the department considers sufficient to enable a determination of the permittee's status under 90-6-302(4); and

(e) update any maps previously submitted or specifically requested by the board. Such maps shall show:

(i) the permit area;

(ii) the unit of disturbed land;

(iii) the area to be disturbed during the next 12-month period;

(iv) if completed, the date of completion of operations;

(v) if not completed, the additional area estimated to be further disturbed by the operation within the following permit year; and

(vi) the date of beginning, amount, and current status of reclamation performed during the previous 12 months.

(2) Whenever the department determines that the permittee has become or will, during the next permit year, become a large-scale mineral developer, it shall immediately serve written notice of that fact on the permittee, the hard-rock mining impact board, and the county or counties in which the operation is located.

**History:** **En. Sec. 12, Ch. 252, L. 1971; R.C.M. 1947, 50-1212; amd. Sec. 3, Ch. 582, L. 1985.**

**Cross-References**

Hard-rock mining impact, Title 90, ch. 6, part 3.

**82-4-340. Successor operator.** When one operator succeeds to the interest of another in any uncompleted operation by sale, assignment, lease, or otherwise, the board may release the first operator from the duties imposed upon him by this part as to such operation, provided that both operators have complied with the requirements of this part and the successor operator assumes the duty of the former operator to complete the reclamation of the land, in which case the board shall transfer the permit to the successor operator upon approval of the successor operator's bond as required under this part.

**History:** **En. Sec. 10, Ch. 252, L. 1971; amd. Sec. 6, Ch. 281, L. 1974; amd. Sec. 1, Ch. 427, L. 1977; R.C.M. 1947, 50-1210(3); amd. Sec. 6, Ch. 453, L. 1985.**

**82-4-341. Compliance with reclamation plan — reclamation by board.** (1) Following receipt of the permittee's report and at any other reasonable time the board may elect, the board shall cause the permit area to be inspected to determine if the permittee has complied with the reclamation plan and the board's rules.

(2) The permittee shall proceed with reclamation as scheduled in his approved reclamation plan. Following written notice by the board noting deficiencies, the permittee shall commence action within 30 days to rectify these deficiencies and shall diligently proceed until the deficiencies are corrected, provided that deficiencies that also violate other laws that require earlier rectification shall be corrected in accordance with the applicable time provisions of such laws. The board may extend performance periods referred to in this

section and in 82-4-336 for delays clearly beyond the permittee's control, but only when the permittee is, in the opinion of the board, making every reasonable effort to comply.

(3) Within 30 days after notification by the permittee and when, in the judgment of the board, reclamation of a unit of disturbed land area is properly completed, the permittee shall be notified in writing and his bond on said area shall be released or decreased proportionately to the acreage included within the bond coverage.

(4) If reclamation of disturbed land is not pursued in accordance with the reclamation plan and the permittee has not commenced action to rectify deficiencies within 30 days after notification by the board or if reclamation is not properly completed in conformance with the reclamation plan within 2 years after completion or abandonment of operation on any fraction of the permit area or such longer period as may have been authorized hereunder or if, after default by the permittee, the surety either refuses or fails to perform the work to the satisfaction of the board within the time required therefor, the board may, with the staff, equipment, and material under its control or by contract with others, take such actions as are necessary for required reclamation of the disturbed lands. Such work shall be let on the basis of competitive bidding. The board shall keep a record of all necessary expenses incurred in carrying out the work or activity authorized under this section, including a reasonable charge for the services performed by the state's personnel and the state's equipment and materials utilized.

(5) The board shall notify the permittee and his surety by order. The order shall state the amount of necessary expenses incurred by the board in reclaiming the disturbed land and a notice that the amount is due and payable to the board by the permittee and the surety. If the amount specified in the order is not paid within 30 days after receipt of the notice, the attorney general, upon request of the board, shall bring an action on behalf of the state in district court. The surety shall be liable to the state to the extent of the bond. The permittee shall be liable for the remainder of the cost.

(6) In addition to the other liabilities imposed by this part, failure to commence action to remedy specific deficiencies in reclamation within 30 days after notification by the board or failure to satisfactorily complete reclamation work on any segment of the permit area within 2 years, or such longer period as the board may permit on permittee's application therefor or on the board's own motion, after completion or abandonment of operations on any segment of the permit area shall constitute sufficient grounds for cancellation of a permit or license and refusal to issue another permit or license to the applicant; provided, however, that such action shall not be effected while an appeal is pending from any ruling requiring the same.

**History: En. Sec. 13, Ch. 252, L. 1971; amd. Sec. 8, Ch. 281, L. 1974; R.C.M. 1947, 50-1213.**

**Cross-References**

Public contracts generally, Title 18, ch. 1.

Extent of surety's liability, 28-11-411.

**82-4-342 through 82-4-350 reserved.**

**82-4-351. Reasons for denial of permit.** (1) A permit may be denied for any of the following reasons:

(a) the plan of operation or reclamation conflicts with Title 75, chapter 2, as amended, Title 75, chapter 5, as amended, Title 75, chapter 6, as amended, or rules adopted pursuant to these laws;

(b) the reclamation plan does not provide an acceptable method for accomplishment of reclamation as required by this part.

(2) A denial of a permit shall be in writing and state the reasons therefor.

**History: En. Sec. 14, Ch. 252, L. 1971; R.C.M. 1947, 50-1214; amd. Sec. 1, Ch. 174, L. 1979; amd. Sec. 7, Ch. 453, L. 1985.**

**82-4-352. Reapplication with new reclamation plan.** A permit may be denied and returned to the applicant with a request that the application be resubmitted with a different plan for reclamation. The person making application for a permit may then resubmit to the board a new plan for reclamation.

**History: En. Sec. 15, Ch. 252, L. 1971; R.C.M. 1947, 50-1215.**

**82-4-353. Administrative remedies — notice — parties.** (1) Upon receipt of an application for an operating permit, the department shall provide notice of the application by publication in a newspaper of general circulation in the area to be affected by the operation. The notice shall be published once a week for 3 successive weeks.

(2) All hearings and appeal procedures shall be in accordance with the Montana Administrative Procedure Act. Any person whose interests may be adversely affected as a result of an action taken pursuant to this part may become a party to any proceeding held hereunder upon a showing that such person is capable of adequately representing the interests claimed.

(3) As used in this section, "person" means any individual, corporation, partnership, or other legal entity.

**History: En. Sec. 16, Ch. 252, L. 1971; amd. Sec. 9, Ch. 281, L. 1974; amd. Sec. 1, Ch. 313, L. 1975; amd. Sec. 2, Ch. 427, L. 1977; R.C.M. 1947, 50-1216.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**82-4-354. Mandamus to compel enforcement.** (1) Any person having an interest that is or may be adversely affected, with knowledge that a requirement of this part or a rule adopted under this part is not being enforced by a public officer or employee whose duty it is to enforce the requirement or rule, may bring the failure to the attention of the public officer or employee by an affidavit stating the specific facts of the failure. Knowingly making false statements or charges in the affidavit subjects the affiant to penalties prescribed for false swearing, as provided in 45-7-202.

(2) If the public officer or employee neglects or refuses for an unreasonable time after receipt of the affidavit to enforce the requirement or rule, the affiant may bring an action of mandamus in the district court of the first judicial district or in the district court of the county in which the land is located. If the court finds that a requirement of this part or a rule adopted under this part is not being enforced, it shall order the public officer or employee to perform his duties. If he fails to do so, the public officer or employee must be held in contempt of court and is subject to the penalties provided by law.

(3) Any person having an interest that is or may be adversely affected may commence a civil action on his own behalf to compel compliance with this part against any person for the violation of this part or any rule, order, or permit issued under it. However, no such action may commence:

(a) prior to 60 days after the plaintiff has given notice in writing to the department and to the alleged violator; or

(b) if the department has commenced and is diligently prosecuting a civil action to require compliance with the provisions of this part or any rule, order or permit issued under it. Any person having an interest that is or may be adversely affected may intervene as a matter of right in any such civil action.

(4) Nothing in this section restricts any right of any person under any statute or common law to seek enforcement of this part or the rules adopted under it or to seek any other relief.

**History: En. Sec. 4, Ch. 345, L. 1985.**

**Cross-References**

Mandamus — Writ of Mandate, Title 27, ch. 26.

**82-4-355. Action for damages to water supply — replacement.** (1) An owner of an interest in real property who obtains all or part of his supply of water for beneficial uses, as defined in 85-2-102, from an underground source other than a subterranean stream having a permanent, distinct, and known channel may sue the operator engaged in a mining or exploration operation to recover damages for loss in quality or quantity of the water supply resulting from mining or exploration. The owner is required to exhaust the administrative remedy under subsection (2) prior to filing suit.

(2) (a) An owner described in subsection (1) may file a complaint with the department detailing the loss in quality or quantity of water. Upon receipt of a valid complaint, the department:

(i) shall investigate the statements and charges in the complaint, using all available information, including monitoring data gathered at the exploration or mine site;

(ii) may require the operator, if necessary, to install monitoring wells or other practices that may be needed to determine the cause of water loss, if there is a loss, in terms of quantity and quality;

(iii) shall issue a written finding specifying the cause of the water loss, if there is a loss, in terms of quantity and quality;

(iv) shall, if it determines that the preponderance of evidence indicates that the loss is caused by an exploration or mining operation, order the operator, in compliance with Title 85, chapter 2, to provide the needed water immediately on a temporary basis and within a reasonable time replace the water in like quality, quantity, and duration. If the water is not replaced, the department shall order the suspension of the operator's exploration or operating permit until such time as the operator provides substitute water, except that nothing in this section preempts Title 85, chapter 2. The operator may not be required to replace a junior right if the operator's withdrawal or dewatering is not in excess of his senior right.

(b) If the department determines that there is a great potential that surface or subsurface water quality and quantity may be adversely affected by a

**Cross-References**

Fund structure, 17-2-102.

Water development state special revenue account, 85-1-604.

Water development account, 85-1-617.

**85-1-614. Limits on grants from water development state special revenue account.** The maximum grant awarded to a private person may not exceed 5% of the estimated total funds potentially available in the water development state special revenue account for grants in the biennium in which the grant will be made or 25% of the total project cost, whichever is less.

**History: En. Sec. 15, Ch. 505, L. 1981; amd. Sec. 40, Ch. 298, L. 1983.**

**Cross-References**

Water development state special revenue account, 85-1-604.

**85-1-615. Security interests — purchase, operation, and resale of encumbered property.** (1) The state has a lien upon a project constructed with money from the water development state special revenue account or water development account for the amount of the loan and interest due the state. This lien may attach to any project facilities, equipment, easements, real property, and property of any kind or nature owned by the debtor, including all water rights. The department shall file with the county clerk and recorder of each county in which a part of the project is located either a financing statement or a real estate mortgage covering the loan, its amount, terms, and a description of the security. The county clerk and recorder shall record and index the lien as other liens are required by law to be recorded and indexed. The lien shall be valid until paid in full or otherwise discharged. The lien shall be foreclosed in accordance with applicable state law governing foreclosure of mortgages and liens.

(2) From the funds available under 85-1-604(3)(c) or 85-1-617, the state may:

(a) purchase a lien that is prior to the state's lien if:

(i) the director of the department determines that the loan is in default and the prospects for collecting the loan may be materially increased by purchasing the prior lien; and

(ii) the amount to be paid for the prior lien does not exceed the appraised value of the property;

(b) operate property that is subject to the state's lien if the director of the department determines that the loan is in default and the prospects for collecting the loan may be materially increased by operating the property that is subject to the state's lien; or

(c) purchase a prior lien as provided in (2)(a) and operate property as provided in (2)(b).

(3) Any property acquired under the provisions of this section must be resold as expeditiously as possible to recover funds used under this section and funds loaned to the borrower.

**History: En. Sec. 16, Ch. 505, L. 1981; amd. Sec. 41, Ch. 298, L. 1983; amd. Sec. 5, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (2) relating to purchase of a prior lien and operation of encumbered property; and inserted (3) relating to resale of encumbered property. Amendment effective April 11, 1989.

**Cross-References**
Liens, Title 71, ch. 3.
Water development state special revenue account, 85-1-604.
Water development account, 85-1-617.

**85-1-616. Administration of loans and grants.** The department shall:

(1) administer the loan and grant program established by this part;

(2) service loans made or contract and pay for the servicing of loans, including arrangements for obtaining security interests; and

(3) collect reasonable fees or charges for the servicing of loans, including arrangements for obtaining security interests. The fees and charges must be deposited in the water development state special revenue account pursuant to 85-1-604.

**History:** **En. Sec. 17, Ch. 505, L. 1981; amd. Sec. 5, Ch. 149, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**85-1-617. Issuing bonds.** (1) When authorized by the legislature and within the limits of the authorization and within the further limitations established in this section, the board of examiners may issue and sell water development bonds of the state in the amount and manner it considers necessary and proper to finance the water development loan program. The full faith and credit and taxing powers of the state are pledged for the prompt and full payment of all bonds so issued and interest and redemption premiums payable thereon according to their terms.

(2) Each series of water development bonds may be issued by the board of examiners, upon request of the board of natural resources and conservation, at public or private sale, in such denominations and forms, whether payable to bearer with attached interest coupons or registered as to principal or as to both principal and interest, with such provisions for conversion or exchange and for the issuance of notes in anticipation of the issuance of definitive bonds, bearing interest at such rate or rates, maturing at such rate or rates, maturing at such time or times not exceeding 30 years from date of issue, subject to optional or mandatory redemption at such earlier times and prices and upon such notice, with such provisions for payment and discharge by the deposit of funds or securities in escrow for that purpose, and payable at the office of such banking institution or institutions within or outside the state, as the board of examiners shall determine subject to the limitations contained in this section and 17-5-731.

(3) In the issuance of each series of water development bonds, the interest rates and the maturities and any mandatory redemption provisions thereof shall be established in such manner that the funds then specifically pledged and appropriated by law to the water development debt service fund will in the judgment of the board of examiners be received in an amount sufficient in each year to pay all principal, redemption premiums, and interest due and payable in that year with respect to that and all prior series of such bonds, except outstanding bonds as to which the obligation of the state has been discharged by the deposit of funds or securities sufficient for their payment in accordance with the terms of the resolutions by which they are authorized to be issued.

(4) In all other respects, the board of examiners is authorized to prescribe the form and terms of the bonds and notes and shall do whatever is lawful and necessary for their issuance and payment. Such bonds, notes, and any

the permit or license may not be revoked and the bond may not be forfeited until a final decision is made by the department.

(3) If a permittee fails to pay the fee or file the report required under 82-4-339, the department shall serve notice of this failure, by certified mail or personal delivery, on the permittee. If the permittee does not comply within 30 days of receipt of the notice, the commissioner shall suspend the permit. The commissioner shall reinstate the permit upon compliance.

**History: En. 50-1225 by Sec. 12, Ch. 281, L. 1974; R.C.M. 1947, 50-1225; amd. Sec. 2, Ch. 284, L. 1985; amd. Sec. 6, Ch. 93, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in two places after "rules", inserted "adopted under this part"; inserted second, third, and fourth sentences of (2) providing hearing and notice requirements for licensees or permittees; and made minor changes in phraseology.

## Part 4

## Opencut Mining Reclamation

**Part Cross-References**

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-401. Short title.** This part shall be known and may be cited as "The Opencut Mining Act".

**History: En. Sec. 1, Ch. 326, L. 1973; R.C.M. 1947, 50-1501.**

**82-4-402. Policy.** It is the policy of this state to provide for the reclamation and conservation of land subjected to opencut mineral mining. Therefore, it is the purpose of this part to preserve natural resources, to aid in the protection of wildlife and aquatic resources, to safeguard and reclaim through effective means and methods all agricultural, recreational, home, and industrial sites subjected to or which may be affected by opencut mineral mining to protect and perpetuate the taxable value of property, to protect scenic, scientific, historic, or other unique areas, and to promote the health, safety, and general welfare of the people of this state.

**History: En. Sec. 2, Ch. 326, L. 1973; amd. Sec. 2, Ch. 209, L. 1974; amd. Sec. 2, Ch. 235, L. 1974; R.C.M. 1947, 50-1502; amd. Sec. 1, Ch. 280, L. 1987.**

**82-4-403. Definitions.** When used in this part, unless a different meaning clearly appears from the context, the following definitions apply:

(1) "Affected land" means the area of land and land covered by water that is disturbed by opencut mining operations, including the area from which overburden or mineral is to be or has been removed and upon which the overburden is to be or has been deposited, roads constructed to gain access to the mineral, areas of processing facilities on or contiguous to the opencut mine, treatment and sedimentation ponds, and mineral stockpile areas on or contiguous to the opencut mine.

(2) "Board" means the state board of land commissioners.

(3) "Contract" means a mined land reclamation contract prepared by the board to meet the requirements of this part.

(4) "Final cut" means the last pit created in an opencut-mined area.

(5) "Landowner" means the owner of land directly affected by an opencut-mining operation.

(6) "Minerals" means bentonite, clay, scoria, phosphate rock, sand, or gravel.

(7) "Opencut mining" means the mining of minerals by:

(a) removing the overburden lying upon natural deposits thereof and mining directly from the natural deposits thereby exposed;

(b) mining directly from natural deposits of such minerals; or

(c) removing overburden for the purpose of determining the location, quality, or quantity of any natural deposit of minerals.

(8) "Operator" means a person engaged in or controlling an opencut-mining operation.

(9) "Overburden" means all of the earth and other materials which lie above a natural deposit of minerals. "Spoil" is the overburden disturbed from its natural state in the process of opencut mining.

(10) "Person" means a natural person or a firm, association, partnership, cooperative, or corporation or any department, agency, or instrumentality of the state or any governmental subdivision or any other entity whatever.

(11) "Processing facilities" means all crushers, screens, and asphalt or concrete plants.

(12) "Progress report" means a report showing the land which the operator has affected by opencut mining during the year. The report shall show the number of acres of affected land and all reclamation accomplished.

(13) "Public notice" means notice given by publication in a newspaper in the general area where the affected land is located. The notice shall be given once a week for 3 successive weeks.

(14) "Reclamation" means the reconditioning of the area of land affected by opencut-mining operations to make the area suitable for productive use, including but not limited to forestry, agriculture, grazing, wildlife, recreation, or residential and industrial sites.

(15) "Reclamation plan" means the description of current land use, topographical data, water data, soils data, leased areas, intended mine areas, and an explanation of proposed reclamation of the land with appropriate maps.

(16) "Refuse" means all waste material directly connected with the opencut-mining operations.

(17) "Soils materials" are those horizons containing topsoil or other soils leached free of deleterious salts and capable of sustaining plant growth and recognized as such by standard authorities.

**History: En. Sec. 4, Ch. 326, L. 1973; amd. Sec. 4, Ch. 209, L. 1974; amd. Sec. 4, Ch. 235, L. 1974; amd. Sec. 17, Ch. 39, L. 1977; R.C.M. 1947, 50-1504; amd. Sec. 2, Ch. 280, L. 1987.**

**82-4-404. Exemption — operations covered by metal mine reclamation.** Nothing in this part may be construed to be applicable to mining or exploration operations which are regulated under the provisions of part 3 of this chapter.

**History: En. Sec. 18, Ch. 326, L. 1973; amd. Sec. 29, Ch. 39, L. 1977; R.C.M. 1947, 50-1516.**

**Cross-References**

Landowner notification of surface operations, Title 82, ch. 2, part 3.

**82-4-405. Inapplicability to state and local government.** The provisions of this part relating to fees or bonds do not apply to the state of Montana, counties, cities, or towns.

**History: En. 50-1516.1 by Sec. 1, Ch. 81, L. 1975; amd. Sec. 30, Ch. 39, L. 1977; R.C.M. 1947, 50-1516.1.**

**82-4-406. Exemption — operations on federal lands.** This part is not applicable to operations on certain federal lands as specified by the board, provided it is first determined by the board that federal law or regulations issued by the federal agency administering the land impose controls for reclamation of those lands equal to or greater than those imposed by this part.

**History: En. 50-1517 by Sec. 1, Ch. 219, L. 1975; amd. Sec. 31, Ch. 39, L. 1977; R.C.M. 1947, 50-1517.**

**Cross-References**

Sovereignty and jurisdiction of the state, 2-1-102.

Jurisdiction over federal enclaves, 2-1-201.

**82-4-407 through 82-4-420 reserved.**

**82-4-421. Administration — delegation of functions.** The board is the administrator of this part, and it has all the power necessary to implement and enforce it. The board may delegate to the commissioner of state lands such powers, duties, and functions under this part as it considers necessary for the performance of its duties.

**History: En. Sec. 5, Ch. 326, L. 1973; amd. Sec. 18, Ch. 39, L. 1977; R.C.M. 1947, 50-1505.**

**Cross-References**

Board of Land Commissioners created, Art. X, sec. 4, Mont. Const.

Department of State Lands created, 2-15-3201.

Office of Commissioner of State Lands created, 2-15-3202.

**82-4-422. Powers, duties, and functions of board.** The board has the following powers, duties, and functions to:

(1) enter into contracts where it is found on the basis of the information set forth in the application and an evaluation of the operation by the board that the requirements of the part or rules will be observed and that the operation and the reclamation of the affected area can be carried out consistently with the purpose of the part;

(2) prepare and adopt rules pertaining to opencut mining to accomplish the purposes of this part;

(3) conduct hearings and, for the purposes of conducting such hearings, administer oaths and affirmations, subpoena witnesses, compel attendance of witnesses, hear evidence, and require the production of any books, papers, correspondence, memoranda, agreements, documents, or other records relevant or material to the inquiry;

(4) adopt uniform procedures for the filing of necessary records, the issuance of contracts, and for any other matters of administration not specifically enumerated in this part;

(5) reclaim any affected land with respect to which a bond has been forfeited; and

(6) make investigations or inspections which are considered necessary to insure compliance with any provision of this part.

**History: En. Sec. 6, Ch. 326, L. 1973; amd. Sec. 19, Ch. 39, L. 1977; R.C.M. 1947, 50-1506.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Contested cases, Title 2, ch. 4, part 6.

Public contracts generally, Title 18, ch. 1.

**82-4-423. Contracts for reclamation.** The board is hereby authorized to enter into contracts with operators in the name of the state of Montana which will provide for the reclamation of lands on which opencut mining of minerals has been or is to be conducted. The board is authorized to sue and be sued in the name of the state of Montana to enforce the provisions of any contract, and the board shall bring such court actions and take such other steps and actions as may be necessary to enforce the provisions of such contracts.

**History:** **En. Sec. 3, Ch. 326, L. 1973; amd. Sec. 3, Ch. 209, L. 1974; amd. Sec. 3, Ch. 235, L. 1974; amd. Sec. 16, Ch. 39, L. 1977; R.C.M. 1947, 50-1503; amd. Sec. 3, Ch. 280, L. 1987.**

**82-4-424. Receipt and expenditure of funds.** (1) The board may receive any federal funds, state funds, or any other funds for the reclamation of land affected by opencut mining. The board may cause the reclamation work to be done by its own employees or by employees of other governmental agencies, soil conservation districts, or through contracts with qualified persons.

(2) Any funds or any public works programs available to the board shall be expended and used to reclaim and rehabilitate any lands that have been subject to opencut mining that have not been reclaimed and rehabilitated in accordance with the standards of this part.

**History:** **En. Sec. 11, Ch. 326, L. 1973; amd. Sec. 24, Ch. 39, L. 1977; R.C.M. 1947, 50-1511.**

**Cross-References**

Powers of soil conservation district, 76-15-403.

**82-4-425. Inspection of opencut mining by board.** The board or its accredited representatives may enter upon lands subjected to opencut mining at all reasonable times for the purpose of inspection to determine whether the provisions of this part have been complied with.

**History:** **En. Sec. 12, Ch. 326, L. 1973; amd. Sec. 25, Ch. 39, L. 1977; R.C.M. 1947, 50-1512.**

**82-4-426. Reclamation of land on which bond forfeited.** In keeping with the provisions of this part, the board may reclaim any affected lands with respect to which a bond has been forfeited.

**History:** **En. Sec. 14, Ch. 326, L. 1973; amd. Sec. 27, Ch. 39, L. 1977; R.C.M. 1947, 50-1514.**

**82-4-427. Board hearing.** (1) A person who is aggrieved by a final decision of the commissioner of state lands is entitled to a hearing before the board.

(2) The Montana Administrative Procedure Act governs hearings before the board and judicial review of decisions of the board under this part.

**History:** **En. Sec. 15, Ch. 326, L. 1973; amd. Sec. 28, Ch. 39, L. 1977; R.C.M. 1947, 50-1515.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**82-4-428 through 82-4-430 reserved.**

**82-4-431. Contract for reclamation required.** (1) After March 16, 1973, no operator may conduct opencut-mining operations which will result in the removal of 10,000 cubic yards or more of product or overburden until he has entered into a contract with the board for the reclamation of the land affected. An operator conducting a number of operations, each of which results in the removal of less than 10,000 cubic yards of product or overburden but which result in the removal of 10,000 cubic yards or more of product or overburden in the aggregate, is subject to the provisions of this part, except as provided in this section.

(2) (a) Except as provided in or conditioned under subsections (2)(b) and (2)(c), an operator who holds a contract for reclamation may operate an opencut mine without first securing an additional contract or an amendment to the existing contract or bond if the mine meets the following criteria:

(i) the total amount of material and overburden removed does not exceed 1,000 cubic yards; and

(ii) the operator notifies the department of state lands prior to beginning such operations and, within 30 days of notifying the department, submits a completed site information form, salvages and stockpiles all root-bearing soil materials, regrades the affected area to 3:1 or flatter slope and blends the reclaimed area into the adjacent topography, and during the first appropriate growing season replaces all topsoil and reseeds or revegetates as required by the department.

(b) The department may refuse to allow the operator to operate an opencut mine under subsection (2)(a) if, at the time of notification by the operator to the department, the operator has a pattern of violations or is in current violation of this part or rules adopted under this part or provisions of a contract for reclamation.

(c) The department may require an additional bond as a condition for the operation of an opencut mine under subsection (2)(a).

(3) Opencut mines described in subsection (2) may not be placed in flowing, ephemeral, or intermittent streams, in the bottom or head of a confined drainage, in an area where the operation will intercept ground water or intercept any slope that is naturally steeper than 3:1, or in any area where mining would be restricted by other laws.

**History: En. Sec. 7, Ch. 326, L. 1973; amd. Sec. 20, Ch. 39, L. 1977; R.C.M. 1947, 50-1507; amd. Sec. 4, Ch. 280, L. 1987.**

**82-4-432. Application for contract — contents — issuance — amendment.** (1) Applications for a contract shall be made upon a form furnished by the board, which form shall contain the following:

(a) the name of the operator and, if other than the owner of the land, the name and address of the owner;

(b) the type of operation to be conducted;

(c) the volume of earth to be removed, as accurately as the volume may then be estimated, and the volume which has been previously removed, if any;

(d) the location of the operation by legal subdivision, section, township and range, and county;

(e) the date when the operation was or will be commenced; and

(f) a statement that the applicant has the right and power by legal estate owned to mine by opencut mining the lands so described.

(2) The application shall be accompanied by:

(a) a bond or security meeting the requirements as set out in this part;

(b) a fee of $50; and

(c) the operator's plan of his operation and the method and manner of reclamation that will be used or followed.

(3) If, prior to applying for a contract, the operator notifies the board of his intention to submit a plan and requests the board to examine the area to be mined, the board shall cause the area to be examined and make recommendations to the operator regarding reclamation.

(4) Upon receipt of the application, bond or security, and fee due from the operator and upon agreement to the terms of the contract by the parties, the board may issue a contract to the applicant which entitles him to continue in or engage in opencut mining on the land therein described.

(5) An operator desiring to have his contract amended to cover additional contiguous or nearby land may file an amended application with the board. Upon receipt of the amended application and such additional bond as may be required and upon agreement to the terms of the amendment by the parties, the board may issue an amendment to the original contract covering the additional land described in the amended application without the payment of any additional fee.

(6) An operator may withdraw any land covered by contract, except affected land, by notifying the board thereof, in which case the penalty of the bond or security filed by the operator pursuant to the provisions of this part shall be reduced proportionately.

**History: En. Sec. 8, Ch. 326, L. 1973; amd. Sec. 21, Ch. 39, L. 1977; R.C.M. 1947, 50-1508.**

**82-4-433. Bond.** (1) A bond required to be filed in this part by the operator shall be in such form as the board prescribes, payable to the state of Montana and conditioned upon the operator's full compliance with all requirements of this part and all rules of the board. The bond shall be signed by the landowner or operator, as appropriate, as principal, and by a good and sufficient corporate surety licensed to do business in the state of Montana, as surety. The bond shall be in an amount not to exceed the costs of restoration required by this part as determined by the board. The amount of the bond may not be less than $200 or more than $1,000 per acre unless the department determines, in writing, that the cost of restoration of the land exceeds $1,000 per acre. Upon such a determination, the bond amount must be set by the board at the cost of restoring the land.

(2) In lieu of the bond, the operator may deposit with the board cash and government securities or a bond with property sureties in an amount equal to that of the required bond on conditions as above prescribed. In the discretion of the board, surety bond requirements may be fulfilled by the operator's posting a bond with land and improvements and facilities thereon as security, in which event no surety may be required. The penalty of the bond or amount of cash and securities shall be increased or reduced from time to time as provided in this part. The bond or security remains in effect until the affected land has been reclaimed as provided under the contract and the reclamation has been approved and the bond or security has been released by the board. The bond or security shall cover only actual affected land and may be increased or reduced to cover only such acreages as remain unreclaimed.

(3) If the license of a surety upon a bond filed with the board pursuant to this part is suspended or revoked, the operator, within 30 days after receiving notice thereof from the board, shall substitute for that surety a good and sufficient surety licensed to do business in the state. Upon failure of the operator to make substitution of surety, the board may suspend the contract of

the operator to conduct operations upon the land described in the contract until the substitution has been made.

(4) The board shall cause the reclamation of any affected land with respect to which a bond has been forfeited.

(5) Whenever an operator has completed all of the requirements under the provisions of this part as to any affected land, he shall notify the board thereof. If the board releases the operator from further obligation regarding such affected land, the penalty of the bond shall be reduced proportionately.

**History: En. Sec. 9, Ch. 326, L. 1973; amd. Sec. 22, Ch. 39, L. 1977; R.C.M. 1947, 50-1509; amd. Sec. 1, Ch. 138, L. 1983; amd. Sec. 5, Ch. 280, L. 1987.**

**Cross-References**

Surety bonds and companies, Title 28, ch. 11, part 4; Title 33, ch. 26, part 1.

**82-4-434. Reclamation plan part of contract — requirements.** The contract shall meet the following requirements:

(1) The operator shall submit a reclamation plan to the board before commencing any opencut mining and may not commence mining before the plan receives approval from the board. The operator may request and receive a meeting with the board prior to submission of the plan. If the board does not notify the operator that it has approved or disapproved a plan within 30 days after the board has received the plan, the board is considered to have approved the plan. The board, however, for sufficient cause, may extend its period of consideration for an additional 30 days if it notifies the operator prior to the end of the original 30-day period. The board shall submit each reclamation plan or amendments to the reclamation plan to the landowner for his recommendations and shall consider those recommendations in deciding whether to approve or disapprove any plan or amendments. The board may seek technical help from any state or federal agency. The board shall submit the plan immediately to the director of the university of Montana statewide archaeological survey for evaluation of possible archaeological or historical values in the area to be mined. The board may approve a reclamation plan only if the board has found that the plan provides for the best possible reclamation procedures available under the circumstances at the time, so that after mining operations are completed the affected land will be reclaimed to a productive use. Once the reclamation plan is accepted in writing by the board, it shall become a part of the contract but is subject to annual review and modification by the board.

(2) The board may not approve any reclamation plan unless the plan provides:

(a) that the land will be reclaimed for one or more specified uses, including but not limited to forest, pasture, orchard, cropland, residence, recreation, industry, habitat for wildlife, including food, cover, or water, or other uses;

(b) that to the extent reasonable and practicable, the operator will establish vegetative cover commensurate with the proposed land use;

(c) whenever operations result in a need to prevent acid drainage or sedimentation on or in adjoining lands or streams, for the construction of earth dams or other reasonable devices to control water drainage, provided the formation of such impoundments or devices will not interfere with other landowners' rights or contribute to water pollution;

(d) that to accomplish practical utilization of soil materials, such material will be utilized for placement on affected areas, if required by the reclamation plan after completion or termination of that particular phase of the mining operations, at a depth sufficient for plant growth on slopes of 3:1 or less;

(e) that grading will be commensurate with the topography sought and land use designated;

(f) that metal and other waste will be removed or buried;

(g) that all access, haul, and other support roads will be located, constructed, and maintained in such a manner as to control and minimize channeling and other erosion;

(h) that the operator will submit a progress report annually to the board;

(i) that all operations will be conducted so as to avoid range and forest fires and spontaneous combustion and that open burning of carbonaceous materials will be in accordance with suitable practices for fire prevention and control;

(j) that archaeological and historical values in areas to be mined will be given appropriate protection;

(k) that except for rock faces, bench faces, and excavations used for water impoundments, each surface area of the mined premises which will be disturbed will be revegetated when its use for extractive purposes is no longer required;

(l) that seeding and planting will be done in a manner to achieve a permanent suitable vegetative cover for wildlife, livestock, and retardation of erosion and that all seed will be drilled unless otherwise provided in the plan;

(m) that reclamation will be as concurrent with mining operations as feasible and will be completed within a specified length of time; and

(n) that surface and ground water will be given appropriate protection, consistent with state law, from deterioration of water quality and quantity that may arise as a result of the operation.

(3) If reclamation according to the plan has not been completed in the time specified, the board after 30 days' written notice shall order the operator to cease mining and, if the operator does not cease, shall institute an action to enjoin further operation and may sue for damages for breach of contract, for payment of the performance bond, or for both.

(4) (a) At any time during the period of reclamation the operator may for good reason submit to the board a new reclamation plan or amendment to the existing plan, including extensions of time.

(b) The board may approve the proposed new reclamation plan or amendments to the existing plan if:

(i) the operator has in good faith carried on reclamation according to the existing plan and the proposed new plan or amendments to the existing plan will result in reclamation as or more desirable than the reclamation proposed under the existing plan; or

(ii) it is highly improbable reclamation will be successful unless the existing plan is replaced or amended.

(c) When accepted, the proposed new reclamation plan or the proposed amendments to the existing plan become a part of the contract.

(5) The operator shall provide a performance bond or an alternative acceptable to the board in an amount commensurate with the estimated cost of reclamation, but in no case may the bond be less than $200 per acre. The estimated cost of reclamation shall be set forth in the reclamation plan.

(6) The contract, reclamation plan, and amendments accepted by the board shall be a public record and open to inspection.

(7) The contract shall become effective when signed by the board and the operator and shall remain in force until terminated by mutual consent or by the board upon 6 months' notice.

**History: En. Sec. 10, Ch. 326, L. 1973; amd. Sec. 23, Ch. 39, L. 1977; R.C.M. 1947, 50-1510; amd. Sec. 6, Ch. 280, L. 1987.**

**Cross-References**
Breach of contract, 27-1-311.
Injunctions, Title 27, ch. 19.
Water quality control, Title 75, ch. 5.
Appropriation permit required for reservoir, 85-2-305.

**82-4-435. Repealed.** Sec. 2, Ch. 113, L. 1981.
**History: En. Sec. 13, Ch. 326, L. 1973; amd. Sec. 26, Ch. 39, L. 1977; R.C.M. 1947, 50-1513.**

**82-4-436 through 82-4-440 reserved.**

**82-4-441. Penalty — enforcement.** (1) A person who violates any of the provisions of this part or rules adopted thereunder or provisions of a contract for reclamation shall pay a civil penalty of not less than $100 or more than $1,000 for the violation and an additional civil penalty of not less than $100 or more than $1,000 for each day during which a violation continues following the service of notice of the violation, and the person may be enjoined from continuing such violation as provided in this section. These penalties are recoverable in an action brought in the name of the state of Montana by the attorney general in the district court having jurisdiction of the defendant or by mutual agreement of the parties involved, in the district court of the first judicial district. Penalty money shall be credited to the general fund.

(2) The attorney general shall, upon the request of the department, sue for the recovery of the penalties provided for in this section and bring an action for a restraining order or a temporary or permanent injunction against an operator or other person violating or threatening to violate an order adopted under this part.

(3) The civil penalties provided for in this section may be waived for a minor violation if it is determined that the violation does not represent potential harm to public health, public safety, or the environment and does not impair the administration of this part. The board shall adopt rules to implement and administer a procedure for waiver of a penalty under this subsection.

**History: En. Sec. 1, Ch. 113, L. 1981; amd. Sec. 7, Ch. 280, L. 1987.**

**Cross-References**
Adoption and publication of rules, Title 2, ch. 4, part 3.
Injunctions, Title 27, ch. 19.

## CHAPTERS 5 THROUGH 9

## RESERVED

## CHAPTER 10

## OIL AND GAS — GENERAL PROVISIONS

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82-10-509 and 82-10-510 reserved.
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**Chapter Cross-References**

Powers of cities and towns to acquire natural gas and distributing systems, 7-13-4102.

Net proceeds tax — mines or wells producing natural gas or petroleum, Title 15, ch. 23, part 6.

Depletion allowance, state tax, 15-31-114.

Oil and gas severance tax, Title 15, ch. 36.

Deposit of oil and gas royalties from federal government in highway account, 17-3-201.

Mining and oil companies — fraudulent handling of finances, Title 30, ch. 14, part 7.

Real estate license law not to apply to persons performing any act with respect to prospecting, mining, or drilling, 37-51-103.

Regulation of pipeline carriers of oil, Title 69, ch. 13.

Eminent domain — appropriation of underground natural gas reservoir, effect on landowner's right to drill, 70-30-105.

Laborers' and materialmen's liens on oil and gas wells and pipelines, Title 71, ch. 3, part 10.

Montana Major Facility Siting Act, Title 75, ch. 20.

State lands — oil and gas, Title 77, ch. 3, part 4.

Underground storage of natural gas, Title 77, ch. 3, part 5.

Cancellation and forfeiture of oil and gas leases, Title 82, ch. 1, part 2.

Trusts for unlocatable mineral owners, Title 82, ch. 1, part 3.

## Part 1

## Royalty Interests

**82-10-101. Action for accounting for royalty.** (1) Whenever an owner of a royalty interest in or attaching to lands producing natural gas, oil, or other minerals or in or to the natural gas, oil, or other mineral production from said lands, whether said royalty is payable in kind out of the product of the lands or out of the money proceeds from the sale of the product of said lands, shall make a written demand upon the person or persons obligated to deliver or pay such royalty for an accounting of the natural gas, oil, or other minerals produced from said lands and makes written demand for delivery or payment of such owner's royalty as may then be due and the person or persons obligated for the delivery or payment of said royalty fail to make the accounting demanded and the payment or delivery of the royalty due within a period of 60 days following the date upon which said demand is made, then the owner of said royalty may file an action in the district court of the county wherein said lands are located to compel the accounting demanded and to recover the payment or delivery of the royalty due against the person or persons obligated as aforesaid.

(2) In said action the successful party or parties recovering judgment against the person or persons obligated shall, in addition to relief by way of accounting and recovery of the royalty due as hereinabove provided, also recover judgment for a sum of money by way of reasonable attorney's fees to be allowed by the court together with the costs allowed to successful parties by law in actions generally in said court.

(3) Whenever the same person or persons is or are obligated for delivery or payment of said royalty to separate owners of royalty in or to a tract of land or any portion of said land or the product of the whole or any part of said land, then any number of said owners of royalty may join their separate causes of action as parties plaintiff in the action herein provided for, and in their complaint filed in said action, each cause of action of each of the several plaintiffs shall be set forth separately in said complaint, and the judgment given, made, and rendered upon said complaint shall adjudge the relief to one or more of the plaintiffs and deny relief to any one or more of said plaintiffs accordingly as the evidence may establish.

(4) If the defendant or defendants prevail in said action against any one or more of said plaintiffs, the court shall adjudge and allow to such defendant or defendants and against the unsuccessful plaintiff or plaintiffs recovery of a sum of money as reasonable attorney's fees to be allowed by the court and adjudge and allow costs to said defendant to be recovered from the said unsuccessful plaintiff or plaintiffs in said action, as provided for by law in actions generally in said court.

**History: En. Sec. 1, Ch. 78, L. 1943; R.C.M. 1947, 60-501.**

**Cross-References**

Allowable costs, Title 25, ch. 10, part 2.

Joinder of claims, Rule 18, M.R.Civ.P. (see Title 25, ch. 20).

Joinder of parties, Rules 19 and 20, M.R.Civ.P. (see Title 25, ch. 20).

**82-10-102. Remedy not exclusive.** The remedy provided for in 82-10-101 is in the nature of a special remedy additional to and not a substitute for other remedies given by law to owners of royalties in lands of the character specified, and all acts or parts of acts in conflict with the provisions of 82-10-101 shall not apply in actions authorized and provided for by that section.

**History: En. Sec. 2, Ch. 78, L. 1943; R.C.M. 1947, 60-502; amd. Sec. 2, Ch. 500, L. 1983; amd. Sec. 3, Ch. 582, L. 1983.**

**82-10-103. Obligation to pay royalties as essence of contract — interest.** (1) The obligation arising under an oil and gas lease to pay oil or gas royalties to the royalty owner or his assignee, to deliver oil or gas to a purchaser to the credit of such royalty owner or his assignee, or to pay a portion of the proceeds of the sale of such oil or gas to the royalty owner or his assignee is of the essence in the lease contract.

(2) If the operator under an oil and gas lease fails to pay oil or gas royalties to the royalty owner or his assignee within 120 days after the initial oil or gas produced under the lease is marketed and within 60 days for all oil and 90 days for all gas produced and marketed thereafter, the unpaid royalties will bear interest, at the maximum rate of interest authorized under 31-1-107 from the date due until paid. The operator may remit semiannually to a person entitled to royalties the aggregate of 6 months' royalties whenever the aggregate amount is less than $50 and annually whenever the aggregate amount is less than $10.

(3) A royalty owner seeking a remedy for failure to make payments under the lease or seeking such payments under this section shall bring his action in the district court for the county in which the oil or gas well is located, and that court has jurisdiction over any such actions brought under this section. The prevailing party in any proceeding brought under this section is entitled to recover his court costs and reasonable attorney fees.

(4) This section does not apply if a royalty owner or his assignee has elected to take his proportionate share of production in kind or whenever there is a dispute as to the title of the minerals or entitlement to royalties, the outcome of which would affect distribution of royalty payments.

**History: En. Sec. 1, Ch. 500, L. 1983; amd. Sec. 1, Ch. 118, L. 1985.**

**Cross-References**

Allowable costs, Title 25, ch. 10, part 2.

**82-10-104. Payment of royalties — form of record required.** (1) An oil and gas producer paying royalties by check, draft, or order shall include with every such payment a form showing the following matters relating to that payment:

(a) the name of the royalty owner to whom the payment is made;

(b) the date of the check, draft, or order;

(c) any royalty owner identification number used by the producer for such royalty owner;

(d) the month and year during which production occurred for which payment is being made;

(e) any number used to identify the lease under which production occurred;

(f) the type of product produced;

(g) barrels of oil and/or cubic feet of gas for which payment is made;

(h) the amount and type of all taxes withheld;

(i) the net value of production; and

(j) the royalty owner's net value.

(2) Any person purposely and knowingly violating the provisions of subsection (1) is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $1,000.

**History: En. Sec. 1, Ch. 582, L. 1983.**

**Cross-References**

Actions arising from the seizure or sale of property for taxes, 27-2-210.

## Part 2

## Lease of Local Government Land

**Part Cross-References**

Actions arising from the seizure or sale of property for taxes, 27-2-210.

Lease of state land, Title 77, ch. 3, part 4.

**82-10-201. Authorization for lease and terms — land not subject to leasing.** The governing body of any county, city, town, school district, or incorporated political subdivision within the state of Montana may, if in the best interests of the county, city, town, school district, or incorporated political subdivision, lease any real property owned by the county, city, town, school district, or incorporated political subdivision for oil and gas development purposes. Such leases shall be made upon the best terms obtainable, shall provide for such terms, except as hereinafter provided, as the governing body shall consider to be for the best interests of the county, city, town, school district, or incorporated political subdivision, shall reserve a royalty of not less than 12½% which shall include any royalty payable to any person other than the lessor, and shall be for a period not exceeding 10 years and so long thereafter as oil, gas, or other hydrocarbons shall be produced from the premises embraced in the lease. However, nothing contained herein shall authorize the leasing of lands acquired by a county by tax deed except under the provisions of Title 7, chapter 8, part 25.

**History: En. Sec. 1, Ch. 131, L. 1953; R.C.M. 1947, 60-701; amd. Sec. 6, Ch. 201, L. 1979.**

**Cross-References**

Reservation of mineral royalty by county, 7-8-2305.

Management of county lands, Title 7, ch. 8, part 25.

"School district" to include community college district, 20-15-403.

Actions arising from the seizure or sale of property for taxes, 27-2-210.

Oil and gas leases authorized on state lands, 77-3-401.

**82-10-202. Acreage pooling.** When deemed in the best interests of the county, city, town, school district, or incorporated political subdivision, the governing body may enter into agreements for the pooling of acreage with others for unit operations for the production of oil or gas or both and for the apportionment of oil or gas royalties or both on an acreage or other equitable basis and may modify existing leases and leases hereafter entered into with respect to delay rentals, delay drilling penalties, and royalties in accordance with such pooling agreements and such unit plans of operation; provided, however, that such agreements shall not change the percentages of royalties to be paid to the county, city, town, school district, or incorporated political subdivision from the percentages as fixed in its leases.

**History: En. Sec. 2, Ch. 131, L. 1953; R.C.M. 1947, 60-702.**

**Cross-References**

"School district" to include community college district, 20-15-403.

Pooling of interest within spacing unit, 82-11-202.

**82-10-203. Interference with normal use of land prohibited.** In the event such real property is held or used for a specific purpose, any lease made under the provisions of this part shall contain such protective provisions as may be necessary to prevent any interference by the lessee with the normal use of such real property for such purpose by the county, city, town, school district, or incorporated political subdivision.

**History:** **En. Sec. 3, Ch. 131, L. 1953; R.C.M. 1947, 60-703.**

**Cross-References**

"School district" to include community college district, 20-15-403.

**82-10-204. Lease of acquired oil and gas interests.** When in any deed or contract for sale a county has reserved or excepted an interest in oil and gas in and under any land acquired by tax deed, the board of county commissioners may lease such interest for oil and gas development purposes upon the same terms and conditions as are provided for the leasing of lands which have been acquired by tax deed, offered for sale and not sold or may ratify, confirm, and adopt any then-existing mineral or oil and gas lease insofar as it describes such land. All such leases, ratifications, confirmations, and adoptions heretofore executed by the board of county commissioners are declared to be valid and are ratified, approved, and confirmed.

**History:** **En. Sec. 1, Ch. 155, L. 1957; R.C.M. 1947, 60-704.**

**Cross-References**

Reservation of royalty in tax deed lands, 7-8-2305.

Alternative management of county lands, 7-8-2502.

Actions arising from the seizure or sale of property for taxes, 27-2-210.

## Part 3

## Underground Gas Storage Reservoirs

**Part Cross-References**

Underground natural gas reservoir — appropriation by eminent domain, 70-30-104, 70-30-203.

Underground natural gas reservoir — preliminary condemnation order, 70-30-206.

Underground storage of natural gas on state land, Title 77, ch. 3, part 5.

**82-10-301. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Board" means the board of oil and gas conservation provided for in 2-15-3303.

(2) "Native gas" means gas which has not been previously withdrawn from the earth.

(3) "Natural gas" means gas either while in its original state or after the same has been processed by removal therefrom of component parts not essential to its use for light and fuel.

(4) "Natural gas public utility" means any person, firm, or corporation authorized to do business in this state and engaged in the business of transporting or distributing natural gas by means of pipelines into, within, or through this state for ultimate public use.

(5) "Underground reservoir" means any subsurface sand, stratum, or formation of the earth suitable for the injection and storage of natural gas therein and the withdrawal of natural gas therefrom.

(6) "Underground storage" means the process of injecting and storing of natural gas within and withdrawing of natural gas from an underground reservoir.

**History:** En. Sec. 1, Ch. 259, L. 1955; amd. Sec. 83, Ch. 253, L. 1974; R.C.M. 1947, 60-801.

**Cross-References**

Underground natural gas reservoir — estates subject to eminent domain, 70-30-104.

**82-10-302. Policy.** (1) The underground storage of natural gas which promotes conservation thereof, which permits the building of reserves for orderly withdrawal in periods of peak demand, which makes more readily available natural gas to the domestic, commercial, and industrial consumers of this state, or which provides a better year-round market to the various gas fields serves the public interest and welfare of this state.

(2) Therefore, in the manner hereinafter provided, the board and the court may find and determine that the underground storage of natural gas as hereinbefore defined is in the public interest.

**History:** En. Sec. 2, Ch. 259, L. 1955; amd. Sec. 84, Ch. 253, L. 1974; R.C.M. 1947, 60-802.

**82-10-303. Use of eminent domain to acquire underground reservoirs.** (1) A natural gas public utility may acquire through the exercise of the right of eminent domain as provided in this part for its use for the underground storage of natural gas an underground reservoir which the board finds is suitable and in the public interest for the underground storage of natural gas, and in connection with the underground reservoir, the utility may acquire such other interests in property as may be required adequately to maintain and operate the underground reservoir facilities. The acquisition by the exercise of the right of eminent domain of underground reservoirs granted by this section is limited as follows:

(a) No sand, formation, or stratum which is producing or has produced or which is capable of producing oil is subject to appropriation under this section.

(b) No gas-bearing sand, formation, or stratum is subject to appropriation under this section, unless the recoverable volumes of native gas therein have all been produced or unless the sand, formation, or stratum has a greater value or utility as an underground reservoir for the purpose of insuring an adequate supply of natural gas for domestic, commercial, or industrial consumers of natural gas or for the conservation of natural gas than for the production of the remaining relatively small volumes of native gas as compared with the original volumes of natural gas therein. Gas, sand, formation, or stratum may not be acquired under this part when the gas in the underground reservoir is being used for the secondary recovery of oil, unless gas in necessary and required amounts is furnished to the operator of the secondary recovery operations for as long as oil is produced in paying quantities in the secondary operations for the recovery of oil at the same cost as the cost to the operator at the time of acquisition of the gas being used in the secondary operations, not exceeding, however, the quantity of the appropriated gas that remained recoverable from the sand, formation, or stratum at the time of its acquisition, if the operator was at that time entitled to the whole thereof or if the operator was at that time entitled to less than the whole thereof, then not to exceed the quantity thereof to which the operator was then entitled.

(c) Only the area of the underground sand, formation, or stratum as may reasonably be expected to be penetrated by gas displaced or injected into the underground gas storage reservoir may be appropriated.

(d) No rights or interests in existing underground gas reservoirs being used for the injection, storage, or withdrawal of natural gas owned or operated by a natural gas public utility other than the natural gas public utility seeking to acquire the same are subject to appropriation.

(2) The exercise of the right of eminent domain granted by this section shall be without prejudice to the rights of the owner of the lands or of other rights or interests therein to drill or bore into or through the underground reservoir so appropriated in a manner that complies with orders and rules of the board issued for the purpose of protecting the underground reservoir against pollution and against the escape of natural gas therefrom and shall be without prejudice to the rights of the owner of the lands or other rights or interests therein as to all other uses thereof. The additional cost of complying with those rules or orders in order to protect the storage reservoir shall be paid by the natural gas public utility.

**History:** **En. Sec. 3, Ch. 259, L. 1955; amd. Sec. 85, Ch. 253, L. 1974; R.C.M. 1947, 60-803.**

**Cross-References**

Eminent domain generally, Title 70, ch. 30, 31.

**82-10-304. Certificate of board required prior to use of eminent domain.** (1) A natural gas public utility desiring to exercise the right of eminent domain as to any property for use for underground storage of natural gas shall, as a condition precedent to the filing of its complaint in the district court, apply for and obtain from the board a certificate setting out the findings of the board:

(a) that the underground sand, stratum, or formation sought to be acquired is suitable for an underground reservoir for the storage of natural gas and that its use for such purposes is in the public interest;

(b) the amount of native gas, if any, remaining therein and the portion thereof recoverable; and

(c) that the applicant has in good faith sought to acquire the rights sought under this part.

(2) The board may not issue the certificate until after a public hearing is had on the application, pursuant to notice given to all persons known to have an interest in the property proposed to be acquired in the manner provided by the laws of the state for service of process in a civil action.

**History:** **En. Sec. 4, Ch. 259, L. 1955; amd. Sec. 86, Ch. 253, L. 1974; R.C.M. 1947, 60-804.**

**Cross-References**

Service of process, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Rules incorporated into statutes, Rule 81(c), M.R.Civ.P. (see Title 25, ch. 20).

Contents of complaint for eminent domain, 70-30-203.

**82-10-305. Proceedings.** Having first obtained a certificate from the board, a natural gas public utility desiring to exercise the right of eminent domain for the purpose of acquiring property for the underground storage of natural gas shall do so in the manner provided in this section. The natural gas public utility shall present to the district court of the county wherein the land is situated a complaint setting forth the purpose for which the property is sought to be acquired, a description of the property sought to be appropriated, and the names of the owners thereof as shown by the records of the county. The plaintiff shall file the certificate of the board as a part of its complaint, and no order by the court granting the complaint shall be entered without the certificate being filed therewith. Subsequent proceedings shall follow the procedure provided by law in the exercise of the rights of eminent domain, Title 70, chapters 30 and 31.

**History:** **En. Sec. 5, Ch. 259, L. 1955; amd. Sec. 87, Ch. 253, L. 1974; R.C.M. 1947, 60-805.**

**Cross-References**

Rules incorporated into statutes, Rule 81(c), M.R.Civ.P. (see Title 25, ch. 20).

Regulation of public utilities, Title 69, ch. 3.

Eminent domain procedure — contents of complaint, 70-30-203.

## Part 4

## Abandoned Oil and Gas Wells — Reclamation

**82-10-401. Notice required before abandonment of well — owner's option.** No person shall plug and abandon an oil or gas well located within this state without first giving reasonable notice of his intention to do so to the surface owner of record of the land on which said well is located. Upon receipt of notice to plug and abandon, the surface owner may, by written notice given within 15 days thereafter, direct that the well pipe for said well shall be buried to a depth of not less than 3 feet. The board of oil and gas conservation shall adopt regulations to implement this section.

**History:** **En. 60-901 by Sec. 1, Ch. 161, L. 1974; R.C.M. 1974, 60-901.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Geophysical exploration — surety bond — restoration of surface, 82-1-104.

**82-10-402. Inventory of abandoned wells and seismic operations — reclamation procedures.** (1) The board of oil and gas conservation shall maintain a record of the abandoned oil or gas wells, injection wells, sumps, and seismographic shot holes in the state that disturb land, water, or wildlife resources to a degree not in compliance with plugging, pollution prevention, and reclamation rules of the board. This record must be compiled from petitions or written statements from the owners of surface rights or lessees.

(2) The board shall check the record compiled under subsection (1) against its drilling records and shall determine and list the name of the person who abandoned the well, sump, or hole, whenever this information is available. When a person so listed applies to the board for a new drilling permit, the board may issue the permit only after approving a plan by which the applicant will reclaim the land disturbed by his abandoned wells, sumps, or holes within 3 years.

(3) When the person who abandoned a well, sump, or hole cannot be identified or located or when the person does not have sufficient financial resources to pay for complete reclamation, the board may then reclaim the disturbed land with funds available from the oil and gas production damage mitigation account in a manner consistent with the requirements for the use of the account provided in 82-11-161 and 82-11-164.

(4) As used in subsection (3), "well" includes a class II injection well, as defined in 82-11-101, for which a drilling permit or a permit authorizing use

of a well for that purpose was granted by the board after June 30, 1989, and water source wells used in connection with enhanced recovery projects.

**History: En. 60-149 by Sec. 3, Ch. 260, L. 1974; R.C.M. 1947, 60-149; amd. Sec. 3, Ch. 530, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in two places, substituted "board of oil and gas conservation" for "department of natural resources and conservation" and "record" for "list"; in (2), near beginning of first sentence, substituted "record compiled" for "list supplied by the department" and near middle of first sentence, after "determine", inserted "and list"; in (3) substituted language that provides that when a person who abandoned well, sump, or hole cannot be identified or located or does not have resources to pay for complete reclamation, Board may reclaim land with funds from account consistent with 82-11-161 and 82-11-164 for "When the person who abandoned a well, sump, or hole cannot be identified or located under the preceding subsection, the board shall notify the department of natural resources and conservation. The department may then reclaim the disturbed land with funds available from the resource indemnity trust fund under 15-38-202, when available"; inserted (4) defining well for purposes of subsection (3); and made minor changes in phraseology. Amendment effective July 1, 1989.

**Cross-References**

Seismographic permit required, 82-1-105.

## Part 5

## Surface Owner Damage and Disruption Compensation

**82-10-501. Purpose — legislative findings.** (1) The purpose of this part is to provide for the protection of surface owners of land underlaid with oil and gas reserves while allowing for the necessary development of those reserves.

(2) To carry out the purpose described in subsection (1), the legislature finds that:

(a) it is necessary to protect the economic well-being of individuals engaged in agricultural production;

(b) exploration for and development of oil and gas reserves in this state, while necessary, interferes with the use, agricultural or otherwise, of the surface of certain land; and

(c) owners of the surface estate should be justly compensated for use of their property and interference with the use of their property due to oil and gas development.

**History: En. Sec. 1, Ch. 199, L. 1981.**

**Cross-References**

Availability of remedies, Title 27, ch. 1.

**82-10-502. Definitions.** As used in this part, the following definitions apply:

(1) "Agricultural production" means the production of any growing grass, crops, or trees attached to the surface of the land or farm animals with commercial value.

(2) "Oil and gas operations" means the exploration for or drilling of an oil and gas well that requires entry upon the surface estate and is begun subsequent to June 1, 1981, and the production operations directly related to the exploration or drilling.

(3) "Oil and gas developer or operator" means the person who acquires the oil and gas lease for the purpose of extracting oil and gas.

(4) "Oil and gas estate" means an estate in or ownership of all or part of the oil and gas underlying a specified tract of land.

(5) "Surface owner" means the person who holds record title to or has a purchaser's interest in the surface of the land.

**History:** **En. Sec. 2, Ch. 199, L. 1981.**

**82-10-503. Notice of drilling operations.** In addition to the requirements for geophysical exploration activities governed by Title 82, chapter 1, part 1, the oil and gas developer or operator shall give the surface owner and any purchaser under contract for deed written notice of the drilling operations that he plans to undertake. This notice shall be given to the record surface owner and any purchaser under contract for deed at their addresses as shown by the records of the county clerk and recorder at the time the notice is given. This notice shall sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of drilling operations on the surface owner's use of the property. The notice shall be given no more than 90 days and no fewer than 10 days before commencement of any activity on the land surface.

**History:** **En. Sec. 3, Ch. 199, L. 1981; amd. Sec. 27, Ch. 526, L. 1983; amd. Sec. 1, Ch. 497, L. 1985.**

**Cross-References**

Notice of intention to explore, 82-1-103.

Notice of intention to drill or conduct seismic operations, 82-11-122.

**82-10-504. Surface damage and disruption payments — penalty for late payment.** (1) (a) The oil and gas developer or operator shall pay the surface owner a sum of money or other compensation equal to the amount of damages sustained by the surface owner for loss of agricultural production and income, lost land value, and lost value of improvements caused by drilling operations.

(b) The amount of damages may be determined by any formula mutually agreeable between the surface owner and the oil and gas developer or operator. When determining damages, consideration shall be given to the period of time during which the loss occurs.

(c) The surface owner may elect to receive annual damage payments over a period of time, except that the surface owner shall be compensated by a single sum payment for harm caused by exploration only.

(d) The payments contemplated by this subsection (1) may only cover land directly affected by drilling operations and production. Payments under this subsection (1) are intended to compensate the surface owner for damage and disruption; no person may reserve or assign that compensation apart from the surface estate except to a tenant of the surface estate.

(2) An oil and gas developer or operator who fails to timely pay an installment under any annual damage agreement negotiated with a surface owner is liable for payment to the surface owner of twice the amount of the unpaid installment if the installment payment is not paid within 60 days of receipt of notice of failure to pay from the surface owner.

**History:** **En. Sec. 4, Ch. 199, L. 1981; amd. Sec. 2, Ch. 497, L. 1985; (2)En. Sec. 3, Ch. 497, L. 1985.**

**Cross-References**

Measure of damages, Title 27, ch. 1, part 3.

**82-10-505. Liability for damages to property.** The oil and gas developer or operator is responsible for all damages to property, real or personal, resulting from the lack of ordinary care by the oil and gas developer or operator. The oil and gas developer or operator is responsible for damages to property, real or personal, caused by drilling operations and production.

**History:** **En. Sec. 5, Ch. 199, L. 1981.**

**82-10-506. Notification of injury.** To receive compensation under this part, a surface owner shall give written notice to the oil and gas developer or operator of the damages sustained by the surface owner within 2 years after the injury occurs or would become apparent to a reasonable man.

**History:** **En. Sec. 6, Ch. 199, L. 1981.**

**82-10-507. Agreement — offer of settlement.** Unless both parties provide otherwise by written agreement, within 60 days after the oil and gas developer or operator receives notice of damages pursuant to 82-10-506, he shall make a written offer of settlement to the person seeking compensation for the damages. The surface owner seeking compensation may accept or reject any offer.

**History:** **En. Sec. 7, Ch. 199, L. 1981.**

**82-10-508. Rejection — legal action.** If the person seeking compensation receives a written rejection, rejects the offer of the oil and gas developer or operator, or receives no reply, that person may bring an action for compensation in the district court of the county in which the damage was sustained.

**History:** **En. Sec. 8, Ch. 199, L. 1981.**

**82-10-509 and 82-10-510 reserved.**

**82-10-511. Remedies cumulative.** The remedies provided by this part do not preclude any person from seeking other remedies allowed by law.

**History:** **En. Sec. 9, Ch. 199, L. 1981.**

# CHAPTER 11

# OIL AND GAS CONSERVATION

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**Chapter Cross-References**

Board of Oil and Gas Conservation, 2-15-3303.

Duty to notify weed management district when proposed project will disturb land, 7-22-2152.

Duties of Board of Oil and Gas Conservation relating to underground natural gas reservoir appropriations, 70-30-203, 70-30-206.

Production of water from oil and gas wells, 85-2-510.

## Part 1

## Regulation by Board of Oil and Gas Conservation

**82-11-101. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Administrator" means the administrator of the division of oil and gas conservation.

(2) "Board" means the board of oil and gas conservation provided for in 2-15-3303.

(3) "Class II injection well" means a well, as defined by the federal environmental protection agency or any successor agency, that injects fluids:

(a) that have been brought to the surface in connection with oil or natural gas production;

(b) for purposes of enhancing the ultimate recovery of oil or natural gas; or

(c) for purposes of storing liquid hydrocarbons.

(4) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(5) "Determinations" means those decisions delegated to the state by or under authority of the Natural Gas Policy Act of 1978 or any successor or similar legislation relating to oil and gas.

(6) "Enhanced recovery" means the increased recovery from a pool achieved by artificial means or by the application of energy extrinsic to the pool; such artificial means or application includes pressuring, cycling, pressure maintenance, or injection into the pool of any substance or form of energy as is contemplated in secondary recovery and tertiary programs but does not include the injection in a well of a substance or form of energy for the sole purpose of aiding in the lifting of fluids in the well or stimulating of the reservoir at or near the well by mechanical, chemical, thermal, or explosive means.

(7) "Field" means the general area underlaid by one or more pools.

(8) "Fluid" means any material or substance that flows or moves, whether in a semisolid, liquid, sludge, gas, or any other form or state.

(9) "Gas" means all natural gases and all other fluid hydrocarbons as produced at the wellhead and not defined as oil in subsection (10) of this section.

(10) "Oil" means crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form by ordinary production methods and which are not the result of condensation of gas before or after it leaves the reservoir.

(11) "Owner" means the person who has the right to drill into and produce from a pool and to appropriate the oil or gas he produces therefrom either for himself or others or for himself and others, and the term includes all persons holding such authority by or through him.

(12) "Person" means any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind and includes any agency or instrumentality of the state or any governmental subdivision thereof.

(13) "Pollution" means contamination or other alteration of the physical, chemical, or biological properties of any state waters that exceeds that permitted by state water quality standards or standards adopted by the board, including but not limited to the disposal, discharge, seepage, drainage, infiltration, flow, or injection of any liquid, gaseous, solid, or other substance into any state waters that will or is likely to create a nuisance or render the waters harmful, detrimental, or injurious to public health, recreation, safety, welfare, livestock, wild animals, birds, fish, or other wildlife. A disposal, discharge, seepage, drainage, infiltration, flow, or injection of fluid that is authorized under a rule, permit, or order of the board is not pollution under this chapter.

(14) "Pool" means an underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure which is completely separated from any other zone in the same structure is a pool, as that term is used in this chapter.

(15) "Producer" means the owner of a well or wells capable of producing oil or gas or both.

(16) "Responsible person" means a person who is determined by the board under 82-10-402 to have abandoned an oil or gas well, injection well, sump, or seismographic shot hole and who is:

(a) a corporation, association, partnership, or other business organization with assets in excess of $250,000; or

(b) if the business organization does not have assets in excess of $250,000, a natural person with primary ownership in the business organization.

(17) "State waters" means any body of water, either surface or underground.

(18) "Waste" means:

(a) physical waste, as that term is generally understood in the oil and gas industry;

(b) the inefficient, excessive, or improper use of or the unnecessary dissipation of reservoir energy;

(c) the location, spacing, drilling, equipping, operating, or producing of any oil or gas well or wells in a manner which causes or tends to cause reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; and

(d) the inefficient storing of oil or gas. (The production of oil or gas from any pool or by any well to the full extent that the well or pool can be produced in accordance with methods designed to result in maximum ultimate recovery, as determined by the board, is not waste within the meaning of this definition.)

**History: En. Sec. 3, Ch. 238, L. 1953; amd. Sec. 55, Ch. 253, L. 1974; amd. Sec. 1, Ch. 336, L. 1977; R.C.M. 1947, 60-126(part); amd. Sec. 1, Ch. 19, L. 1979; amd. Sec. 5, Ch. 239, L. 1983; amd. Sec. 1, Ch. 503, L. 1987; amd. Sec. 10, Ch. 530, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted definition of responsible person. Amendment effective July 1, 1989.

**82-11-102. Oil or gas wells not public utilities.** Nothing in this chapter shall in any manner be construed as constituting or attempting to constitute oil or gas wells as a public utility or utilities.

**History: En. Sec. 20, Ch. 238, L. 1953; amd. Sec. 79, Ch. 253, L. 1974; R.C.M. 1947, 60-143.**

**82-11-103. Lands subject to law.** This chapter applies to all lands in the state lawfully subject to its taxation and police powers. It applies to lands of the United States or to lands subject to the jurisdiction of the United States only to the extent that control and supervision of conservation of oil and gas by the United States on its lands fails to effect the intent and purposes of this chapter and otherwise applies to those lands to such extent as any officer of the United States having jurisdiction or his duly authorized representative approves any of the provisions of this chapter or an order of the board which affects those lands. This chapter also applies to any lands committed to a unit agreement approved by the secretary of the interior or his duly authorized representative, except that the board may, with respect to those unit agreements, suspend the application of this chapter or any part of this chapter so long as the conservation of oil and gas and the prevention of waste as provided in this chapter is accomplished under the unit agreements. The suspension does not relieve an operator or owner from making such reports as may be required by the board with respect to operations and production under the unit agreement, and the suspension does not relieve an operator or owner from the payment of taxes on his oil and gas production or payment for permit fees as required by this chapter.

**History:** **En. Sec. 17, Ch. 238, L. 1953; amd. Sec. 76, Ch. 253, L. 1974; R.C.M. 1947, 60-140.**

**Cross-References**

Sovereignty and jurisdiction of the state, 2-1-102.

Jurisdiction over federal enclaves, 2-1-202.

**82-11-104. Construction — no conflict with board of land commissioners' authority.** Nothing herein contained shall be construed to conflict with 77-3-430, granting the board of land commissioners the authority to enter into pooling and unitization agreements for the production of oil or gas with others.

**History:** **En. Sec. 3, Ch. 238, L. 1953; amd. Sec. 55, Ch. 253, L. 1974; amd. Sec. 1, Ch. 336, L. 1977; R.C.M. 1947, 60-126(part).**

**82-11-105 through 82-11-110 reserved.**

**82-11-111. Powers and duties of board.** (1) The board shall make such investigations as it considers proper to determine whether waste exists or is imminent or whether other facts exist which justify any action by the board under the authority granted by this chapter with respect thereto.

(2) Subject to the administrative control of the department under 2-15-121, the board shall:

(a) require measures to be taken to prevent contamination of or damage to surrounding land or underground strata caused by drilling operations and production, including but not limited to regulating the disposal or injection of water and disposal of oil field wastes;

(b) classify wells as oil or gas wells or class II injection wells for purposes material to the interpretation or enforcement of this chapter;

(c) adopt and enforce rules and orders to effectuate the purposes and the intent of this chapter.

(3) The board shall determine and prescribe what producing wells shall be defined as "stripper wells" and what wells shall be defined as "wildcat wells"

and make such orders as in its judgment are required to protect those wells and provide that stripper wells may be produced to capacity if it is considered necessary in the interest of conservation to do so.

(4) With respect to any pool from which gas was being produced by a gas well on or prior to April 1, 1953, this chapter does not authorize the board to limit or restrain the rate (daily or otherwise) of production of gas from that pool by any well then or thereafter drilled and producing from that pool to less than the rate at which the well can be produced without adversely affecting the quantity of gas ultimately recoverable by the well.

(5) The board has exclusive jurisdiction over all class II injection wells and all pits and ponds in relation to those injection wells. The board may:

(a) issue, suspend, revoke, modify, or deny permits to operate class II injection wells, consistent with rules made by it;

(b) examine plans and other information needed to determine whether a permit should be issued or require changes in plans as a condition to the issuance of a permit;

(c) clearly specify in a permit any limitations imposed as to the volume and characteristics of the fluids to be injected and the operation of the well;

(d) authorize its staff to enter upon any public or private property at reasonable times to:

(i) investigate conditions relating to violations of permit conditions;

(ii) have access to and copy records required under this chapter;

(iii) inspect monitoring equipment or methods; and

(iv) sample fluids which the operator is required to sample; and

(e) adopt standards for the design, construction, testing, and operation of class II injection wells.

(6) The board shall determine, for the purposes of using the oil and gas production damage mitigation account established in 82-11-161:

(a) when the person responsible for an abandoned well, sump, or hole cannot be identified or located, or if the person is identified or located, when the person does not have sufficient financial resources to properly plug the well, sump, or hole; or

(b) when a previously abandoned well, sump, or hole is the cause of potential environmental problems and no responsible party can be identified or located or, if a responsible party can be identified and located, the person does not have sufficient financial resources to correct the problems.

**History: En. Sec. 4, Ch. 238, L. 1953; amd. Sec. 16, Ch. 93, L. 1969; amd. Sec. 56, Ch. 253, L. 1974; amd. Sec. 1, Ch. 260, L. 1974; amd. Sec. 1, Ch. 222, L. 1975; R.C.M. 1947, 60-127(part); amd. Sec. 4, Ch. 93, L. 1983; amd. Sec. 2, Ch. 503, L. 1987; amd. Sec. 4, Ch. 530, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (6) requiring Board to determine, for purposes of using account, when person cannot be identified or located or does not have sufficient resources to plug well, sump, or hole or when previously abandoned well, sump, or hole is cause of problems and no responsible party can be identified or located or, if identified or located, does not have resources to correct problem. Amendment effective July 1, 1989.

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Administrative procedure, 82-11-141.

Jurisdiction of Board over water produced from oil and gas wells, 85-2-510.

**82-11-112. Intergovernmental cooperation.** The board may cooperate with any other state, interstate, or federal agency and other governmental agencies of the state to effect the objects and purposes of this chapter and expend such funds as may be reasonably necessary in connection therewith.

**History:** **En. Sec. 18, Ch. 238, L. 1953; amd. Sec. 77, Ch. 253, L. 1974; R.C.M. 1947, 60-141.**

**82-11-113. Role of board in implementation of national gas policy.** The board is designated as the state jurisdictional agency for purposes of the Natural Gas Policy Act of 1978 or any successor or similar legislation relating to oil and gas.

**History:** **En. Sec. 2, Ch. 19, L. 1979.**

**82-11-114. Appointment of examiners.** The board shall designate one or more examiners to make determinations as defined in 82-11-101. To be appointed as an examiner, an individual must possess a degree in petroleum engineering or geology.

**History:** **En. Sec. 3, Ch. 19, L. 1979.**

**82-11-115. Procedure to make determinations.** (1) The board shall adopt rules to govern the making of determinations. These rules shall be adopted pursuant to the Montana Administrative Procedure Act, but the procedure to be employed in making determinations is not subject to the Montana Administrative Procedure Act. The rules may provide that testimony may only be submitted in writing and that no cross-examination is allowed.

(2) Any determination made by an examiner under this section and 82-11-114 shall be reviewed by the board upon request of two members of the board. The review by the board is subject to the notice and hearing but not the appeal provisions of the contested case procedures of the Montana Administrative Procedure Act. The request for review must be made within 20 days after an examiner makes a determination. If no request for a review is made during this 20-day period, the examiner's determination is considered to be the determination of the board and the determination, together with the accompanying record, shall be forwarded to the federal energy regulatory commission for review. If a review by the board is requested, the board shall forward the final determination to the federal energy regulatory commission.

**History:** **En. Sec. 4, Ch. 19, L. 1979.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Adoption and publication of rules, Title 2, ch. 4, part 3.

**82-11-116. Public access.** All applications for a determination and all determinations made pursuant to 82-11-114 and 82-11-115 shall be made available for public inspection at the Billings and Helena offices of the board.

**History:** **En. Sec. 5, Ch. 19, L. 1979.**

**Cross-References**

Citizens entitled to inspect and copy public writings, 2-6-102.

**82-11-117. Confidentiality of records.** (1) Any information that is furnished to the board or the board's staff or that is obtained by either of them is a matter of public record and open to public use. However, any information unique to the owner or operator that would, if disclosed, reveal methods or processes entitled to protection as trade secrets must be maintained as confidential if so determined by the board.

(2) If an owner or operator disagrees with a determination by the board that certain material will not be maintained as confidential, the owner or operator may file a declaratory judgment action in a court of competent jurisdiction to establish the existence of a trade secret if he wishes such information to enjoy confidential status. The department must be served in any such action and may intervene as a party.

(3) Any information not intended to be public when submitted to the board or the board's staff must be submitted in writing and clearly marked as confidential.

(4) Data describing physical and chemical characteristics of a liquid, gaseous, solid, or other substance injected or discharged into state waters may not be considered confidential.

(5) The board may use any information in compiling or publishing analyses or summaries relating to water pollution if such analyses or summaries do not identify the owner or operator or reveal any information that is otherwise made confidential by this section.

**History:** **En. Sec. 3, Ch. 503, L. 1987.**

### 82-11-118 through 82-11-120 reserved.

**82-11-121. Oil and gas waste prohibited.** Waste of oil and gas or either of them as waste is defined in this chapter is prohibited.

**History:** **En. Sec. 1, Ch. 238, L. 1953; Sec. 60-124, R.C.M. 1947; amd. and redes. 60-127.1 by Sec. 54, Ch. 253, L. 1974; R.C.M. 1947, 60-127.1.**

**82-11-122. Notice of intention to drill or conduct seismic operations — notice to surface owner.** It is unlawful to commence the drilling of a well for oil or gas without first filing with the board written notice of intention to drill and obtaining a drilling permit as provided in 82-11-134. After the permit is issued, an oil and gas developer or operator as defined under 82-10-502 shall comply with the notice requirements of 82-10-503 before commencing drilling operations. It is unlawful to conduct seismic explorations without first giving the board a copy of the notice of intention to explore filed with the county under 82-1-103.

**History:** **En. Sec. 5, Ch. 238, L. 1953; amd. Sec. 57, Ch. 253, L. 1974; amd. Sec. 2, Ch. 260, L. 1974; R.C.M. 1947, 60-128; amd. Sec. 5, Ch. 339, L. 1985; amd. Sec. 4, Ch. 497, L. 1985.**

**Cross-References**

Surface owner damage and disruption compensation, Title 82, ch. 10, part 5.

**82-11-123. Requirements for oil and gas operations.** Subject to the administrative control of the department under 2-15-121, the board shall require:

(1) identification of ownership of oil or gas wells, producing properties, and tanks;

(2) the making and filing of acceptable well logs, including bottom-hole temperatures, to facilitate the discovery of potential geothermal energy sources, reports on well locations, and the filing of directional surveys, if

made; however, logs of exploratory or wildcat wells need not be filed for a period of 6 months following completion of those wells;

(3) the drilling, casing, producing, and plugging of wells and class II injection wells in such manner as to prevent the escape of oil or gas out of one stratum into another, the intrusion of water into oil or gas strata, blowouts, cave-ins, seepages, and fires and the pollution of fresh water supplies by oil, gas, salt, or brackish water;

(4) the restoration of surface lands to their previous grade and productive capability after a well is plugged or a seismographic shot hole has been utilized and necessary measures to prevent adverse hydrological effects from such well or hole, unless the surface owner agrees in writing, with the approval of the board or its representatives, to a different plan of restoration;

(5) the furnishing of a reasonable bond with good and sufficient surety, conditioned for performance of the duty to properly plug each dry or abandoned well, which bond may not be canceled or absolved:

(a) if the well fails to produce oil or gas in commercial quantities, until:

(i) the board determines the well is properly plugged and abandoned as provided in the board's rules; or

(ii) the requirements of 82-11-163 are met; or

(b) if the well is completed after June 30, 1989, until the owner notifies the board that the well is producing oil and gas in commercial quantities and meets the requirements of 82-11-162;

(6) proper gauging or other measuring of oil and gas produced and saved to determine the quantity and quality thereof;

(7) that every person who produces, transports, or stores oil or gas or injects or disposes of water in this state shall make available within this state for a period of 5 years complete and accurate records of the quantities thereof, which records shall be available for examination by the board or its employees at all reasonable times, and that that person file with the board such reports as it may prescribe with respect to quantities, transportations, and storages of the oil or gas or water; and

(8) the installation, use, and maintenance of monitoring equipment or methods in the operation of class II injection wells.

**History: En. Sec. 4, Ch. 238, L. 1953; amd. Sec. 16, Ch. 93, L. 1969; amd. Sec. 56, Ch. 253, L. 1974; amd. Sec. 1, Ch. 260, L. 1974; amd. Sec. 1, Ch. 222, L. 1975; R.C.M. 1947, 60-127(part); amd. Sec. 4, Ch. 503, L. 1987; amd. Sec. 78, Ch. 83, L. 1989; amd. Sec. 5, Ch. 530, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 83 in (3) substituted "strata" for "stratum" and "cave-ins" for "cavings".

Chapter 530 inserted (5)(a) and (5)(b) stating circumstances under which bond may not be canceled or absolved. Amendment effective July 1, 1989.

**Cross-References**

Geophysical exploration, Title 82, ch. 1, part 1.

**82-11-124. Requirements relating to waste prevention.** Subject to the administrative control of the department under 2-15-121, the board shall, for the purpose of preventing waste:

(1) regulate the drilling, producing, and plugging of wells, the shooting and chemical treatment of wells, the spacing of wells, operations voluntarily entered into to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations; and

(2) fix, upon application made by any interested person after hearing, efficient gas-oil and water-oil ratios for any particular well or wells.

**History:** En. Sec. 4, Ch. 238, L. 1953; amd. Sec. 16, Ch. 93, L. 1969; amd. Sec. 56, Ch. 253, L. 1974; amd. Sec. 1, Ch. 260, L. 1974; amd. Sec. 1, Ch. 222, L. 1975; R.C.M. 1947, 60-127(part).

**82-11-125. Availability of cores or chips, cuttings, and bottom-hole temperatures to board.** (1) An owner drilling a well for gas or oil shall make available to the board at its field offices representative cores or chips, when available, the cuttings from the well, and the bottom-hole temperatures of the wells, in order to facilitate the discovery of geothermal potential. However, cores, chips, or cuttings need not be so made available for a period of 6 months following completion or abandonment of the wells. The board may, however, relieve the owner of a well of the obligation to furnish cores, chips, or cuttings when, in the opinion of the board, the furnishing thereof would be unduly burdensome for the owner; however, the owner desiring relief must apply to and receive permission from the board to not so furnish.

(2) The owner of a stratigraphic test well drilled for the purpose of obtaining lithologic information useful in potential oil and gas operations, as such well is defined by the board's rules, shall within 3 years from the date of the cessation of the drilling of the well make available to the board complete sets of sample cuttings and representative cores or chips and well logs of the wells, which logs shall include among other information the size of casing used, the type and depth of water if any located, and bottom-hole temperatures for geothermal purposes. The board shall require and the owner of a stratigraphic test well shall furnish, prior to the commencement of drilling of the well, a good and sufficient surety bond, to be approved prior to the commencement of the drilling, conditioned upon the proper plugging of the well prior to abandonment, the amount of the bond to be determined by the estimated depth as in the board's rules provided for oil and gas wells; prior to abandonment, the wells shall be plugged by the owner thereof or by the surety should the owner be in default, the plugging to conform to the standards set down and determined by the board.

**History:** En. Sec. 21, Ch. 238, L. 1953; amd. Sec. 1, Ch. 224, L. 1955; amd. Sec. 1, Ch. 234, L. 1959; amd. Sec. 1, Ch. 208, L. 1973; amd. Sec. 80, Ch. 253, L. 1974; amd. Sec. 2, Ch. 222, L. 1975; R.C.M. 1947, 60-144; amd. Sec. 1, Ch. 248, L. 1983.

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**82-11-126. Availability of facilities to bureau of mines.** The board may make available to the authorized personnel or representatives of the bureau of mines and geology such facilities, equipment, records, and cores and cuttings or samples of cores and cuttings as are or may be required by the bureau in the furtherance of its oil and gas research and study. Bottom-hole temperatures of oil and gas wells shall be made available to the bureau of mines and geology by the board in order to facilitate the determination of possible geothermal energy sources.

**History:** En. Sec. 3, Ch. 32, L. 1957; amd. Sec. 82, Ch. 253, L. 1974; amd. Sec. 3, Ch. 222, L. 1975; R.C.M. 1947, 60-148.

**Cross-References**

Establishment of Bureau of Mines and Geology, 20-25-211.

Bureau of Mines and Geology — purpose, 20-25-212.

Bureau director and assistants, 20-25-213.

**82-11-127. Prohibited activity.** (1) No person may:

(a) cause pollution of any state waters or place or cause to be placed any liquid, gaseous, solid, or other substance in a location where the substance is likely to cause pollution of any state waters;

(b) violate any provision set forth in a permit or stipulation, including but not limited to limitations and conditions contained in it;

(c) violate an order issued pursuant to this chapter; or

(d) violate a provision of this chapter.

(2) No person may drill, construct, convert, or operate a class II injection well or drill an oil or gas well or stratigraphic test well or core hole as described under 82-11-134 without a valid permit or order from the board.

**History:** En. Sec. 7, Ch. 503, L. 1987.

### 82-11-128 through 82-11-130 reserved.

**82-11-131. Privilege and license tax.** (1) For the purpose of providing funds for defraying the expenses of the operation and enforcement of this chapter and expenses of the board, an operator or producer of oil and gas shall pay an assessment not to exceed 2/10 of 1% of the market value of each barrel of crude petroleum originally produced, saved and marketed, or stored within the state or exported from the state and the same rate on the market value of each 10,000 cubic feet of natural gas produced, saved and marketed, or stored within the state or exported therefrom.

(2) The board shall, by rule adopted pursuant to the provisions of the Montana Administrative Procedure Act, fix the amount of the assessment and may from time to time reduce or increase the amount thereof as the expenses chargeable against the oil and gas conservation fund may require. However, the assessment fixed by the board may not exceed the limits prescribed in this section. The amount of the assessment shall be a percentage factor (not to exceed 100%) of the rate set forth in subsection (1) above, and the same percentage factor shall be applied by the board in fixing the amount of the assessment on each barrel of crude production and each 10,000 cubic feet of natural gas mentioned in that subsection. A producer of the crude petroleum and natural gas shall pay the assessment on each barrel of crude petroleum and each 10,000 cubic feet of natural gas produced for himself, as well as for another, including a royalty holder, and the producer shall be reimbursed for the payments made on crude oil and natural gas produced for another in the same manner as he is reimbursed for net proceeds tax paid under 15-23-607 on crude petroleum or natural gas produced for another.

(3) The department of revenue shall collect the privilege and license tax assessment in the same manner as the oil and gas severance tax is collected under Title 15, chapter 36.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(1) thru (3); amd. Sec. 7, Ch. 201, L. 1979; amd. Sec. 5, Ch. 93, L. 1983; amd. Sec. 144, Ch. 370, L. 1987.

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**82-11-132. Statements to treasurer and payment of tax.** (1) Each producer of crude petroleum in the state shall, not later than the last day of each of the calendar months of February, May, August, and November of each calendar year, render a true statement to the state treasurer and the department of revenue, duly signed and sworn to, of all crude petroleum produced and marketed by him in this state during the preceding quarter and containing such other information as the department of revenue may require and shall accompany the statement with the payment to the state treasurer of the assessment provided for in 82-11-131(1) for the period covered by the statement.

(2) Each producer of natural gas in the state shall render like statements to the state treasurer and the department of revenue of all natural gas produced and marketed by him in this state and shall make payment of the assessment provided for in 82-11-131(1) at such times and for such periods as may be prescribed by rule of the department of revenue.

(3) Any producer carrying on business at more than one place or location in this state may include all those places of business in one statement.

(4) The assessment imposed herein shall be due at the time the oil or natural gas is marketed. Oil or natural gas shall be deemed marketed when it is removed from the property from which it was produced.

(5) The department of revenue may adopt rules to implement this section.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(5); amd. Sec. 6, Ch. 93, L. 1983; amd. Sec. 2, Ch. 265, L. 1987.

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**82-11-133. Penalty for late payment.** An assessment not paid within the time specified is delinquent, and a penalty of 25% thereof shall be added thereto, and the whole thereof shall bear interest at the rate of 1% per month from the date of delinquency until paid. Upon request of the department of revenue or the board, the attorney general shall commence and prosecute to final determination in any court of competent jurisdiction an action at law to collect the same.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(6); amd. Sec. 7, Ch. 93, L. 1983.

**82-11-134. Permit fees.** In addition to the privilege and license tax, before commencing the drilling of an oil or gas well or stratigraphic test well or core hole, a person shall secure from the board a drilling permit and shall pay to the board therefor the following amounts:

(1) for each well whose estimated depth is 3,500 feet or less, $25;

(2) from 3,501 feet to 7,000 feet, $75;

(3) 7,000 feet and deeper, $150.

**History:** En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315,

**L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(4).**

**82-11-135. Money earmarked for board expenses.** All money collected under this chapter shall be deposited in the state special revenue fund by the state treasurer and shall be used for the purpose of paying all expenses of the board and for no other purpose. All these moneys shall be used by the board subject to biennial appropriations by the legislature. Income and interest from investment of the board's moneys in the state special revenue fund shall be credited to the board.

**History: En. Sec. 22, Ch. 238, L. 1953; amd. Sec. 1, Ch. 234, L. 1955; amd. Sec. 1, Ch. 198, L. 1957; amd. Sec. 1, Ch. 47, L. 1961; amd. Sec. 160, Ch. 147, L. 1963; amd. Sec. 1, Ch. 315, L. 1973; amd. Sec. 1, Ch. 130, L. 1974; amd. Sec. 81, Ch. 253, L. 1974; amd. Sec. 1, Ch. 413, L. 1975; amd. Sec. 1, Ch. 178, L. 1977; amd. Sec. 1, Ch. 254, L. 1977; R.C.M. 1947, 60-145(7); amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 3, Ch. 265, L. 1987.**

**Cross-References**

No money expended except upon appropriation, Art. VIII, sec. 14, Mont. Const., 17-8-101.

Treasury fund structure, 17-2-102.

**82-11-136. Expenditure of funds from bonds for plugging wells.** The board may accept and expend all funds received by it from bonds for properly plugging dry or abandoned wells as authorized in 82-11-123(5). These funds are statutorily appropriated as provided in 17-7-502.

**History: En. Sec. 4, Ch. 265, L. 1987.**

**82-11-137. Class II injection well operating fee.** (1) For the purpose of providing funds for defraying the expenses of operating and enforcing the class II injection well regulatory program, as defined by the federal environmental protection agency or any successor agency, each operator of a class II injection well may be required to pay an annual operating fee not to exceed $300 per injection well.

(2) The department shall collect the operating fee at such time as the board may prescribe by rule. All money collected under this section must be forwarded to the state treasurer for deposit in the state special revenue fund and must be used for the purpose prescribed in subsection (1).

(3) The board shall, by rule adopted pursuant to the provisions of the Montana Administrative Procedure Act, fix the amount of the fee described in subsection (1) and may from time to time reduce or increase the amount thereof as the expenses chargeable against the state special revenue fund may require. However, the assessment fixed by the board may not exceed the limits prescribed in subsection (1). The amount of the fee must be expressed in dollars.

**History: En. Sec. 13, Ch. 503, L. 1987.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**82-11-138 through 82-11-140 reserved.**

**82-11-141. Administrative procedure.** (1) Unless otherwise provided, the Montana Administrative Procedure Act applies to this chapter.

(2) An order or amendment thereof, except in an emergency, may not be made by the board without a public hearing upon at least 10 days' notice. The public hearing shall be held at such time and place as may be prescribed by the board, and any interested person is entitled to be heard.

(3) When an emergency requiring immediate action is found to exist, the board may issue an emergency order without advance notice or hearing which shall be effective upon promulgation. An emergency order may not remain in effect beyond the next regular meeting of the board.

(4) (a) If notice is required by the chapter and the Montana Administrative Procedure Act does not apply, the notice shall be made by publication in one or more issues of a newspaper in general circulation in Helena and a newspaper of general circulation in the county where the land or some part thereon is situated, and the board may also cause publication to be made in a trade journal or bulletin of general circulation in the oil and gas industry in the state.

(b) At least 20 days prior to the public hearing, a person who applies to establish a well spacing unit under 82-11-201 or who applies to pool all interests in a well spacing unit pursuant to 82-11-202 shall cause written notice of any hearing thereon to be served upon the record owners of the oil and gas and leasehold interests sought to be spaced or pooled. Notice must be given by mailing the written notice, postage prepaid, to their addresses as shown by the record of the county clerk and recorder at the time the notice is given.

(5) If written notice is not possible, proof of service by publication under subsection (4) shall be made by the affidavit of the printer or publisher of the newspaper, trade journal, or bulletin in which the notice is published or by a foreman or principal clerk of the newspaper, bulletin, or trade journal.

(6) Except as provided otherwise in this chapter, the board may act upon its own motion or upon the petition of an interested person. On the filing of a petition concerning a matter within the jurisdiction of the board, the board shall promptly fix a date for a hearing thereon and shall cause notice of the hearing to be given. The hearing shall be held without undue delay after the filing of the petition. The board shall enter its order within 30 days after the hearing.

**History: En. Sec. 9, Ch. 238, L. 1953; amd. Sec. 1, Ch. 213, L. 1961; amd. Sec. 71, Ch. 253, L. 1974; R.C.M. 1947, 60-132; amd. Sec. 6, Ch. 19, L. 1979; amd. Sec. 1, Ch. 238, L. 1987; amd. Sec. 5, Ch. 503, L. 1987.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**82-11-142. Subpoena power — civil actions.** (1) If the Montana Administrative Procedure Act does not apply, the board may subpoena witnesses, administer oaths, and require the production of records, books, and documents for examination at any hearing or investigation conducted by it. Witnesses subpoenaed under this subsection shall be paid the same per diem and mileage as is provided to be paid to witnesses attending the district courts of this state.

(2) This chapter, a suit by or against the board, a violation charged or asserted against a person under this chapter, or a rule or order issued under

this chapter does not impair, abridge, or delay a cause of action for damages or other civil remedy which a person may have or assert against a person violating this chapter or a rule or order issued under it. A person so aggrieved by the violation may sue for and recover such damages or relief as he otherwise may be entitled to receive.

(3) A person, association, corporation, or agency of the state or federal government may apply to the board protesting a violation or a threatened violation of this chapter. The board shall make an investigation and make a written report to the person, association, corporation, or agency that made the protest. If a violation is established by the investigation of the board, the board shall take appropriate enforcement action. If the board fails to take appropriate enforcement action or to bring suit to enjoin a threatened violation of this chapter or a rule or order of the board within 10 days after receipt of written request to do so by a person who is or will be adversely affected, the person making the request may bring the suit in his own behalf to restrain the threatened violation in a court in which the board might have brought suit. The board shall be made a party defendant in the suit in addition to the person threatening to violate this chapter or a rule or order of the board, and the action shall proceed and injunctive relief may be granted without bond in the same manner as if suit had been brought by the board.

(4) If a person fails or refuses to comply with the subpoena issued by the board or if a witness refuses to testify as to any material matter regarding which he may be interrogated, any district court in the state, upon good cause shown by the application of the board, may issue a warrant of attachment for the person and, if after hearing the court finds his failure or refusal to be unjustified, compel him to comply with the subpoena and to attend before the board and produce any subpoenaed records, books, and documents for examination and to give his testimony. The court may punish for contempt as in the case of disobedience to a like subpoena issued by the court or for refusal to testify therein.

**History: En. Sec. 10, Ch. 238, L. 1953; amd. Sec. 72, Ch. 253, L. 1974; R.C.M. 1947, 60-133; amd. Sec. 6, Ch. 503, L. 1987.**

**Cross-References**

Mileage allowance for witnesses, 2-18-503.

What acts or omissions are contempts, 3-1-501.

Duties of District Court Clerk relating to jurors and witnesses, 3-5-510.

Procedure in reference to witnesses' certificates, 3-5-511.

Statement to Board of County Commissioners concerning witnesses, 3-5-512.

Subpoenas, Title 26, ch. 2, part 1.

Witness fees in Courts of record and before certain Court officers, 26-2-501.

Injunctions, Title 27, ch. 19.

Mandamus, Title 27, ch. 26.

**82-11-143. Rehearing.** A person adversely affected by a rule or order of the board may within 20 days after its effective date apply to the board in writing for a rehearing. The application for rehearing shall be acted upon within 10 days after its filing, and if granted, the rehearing shall be held without undue delay.

**History: En. Sec. 11, Ch. 238, L. 1953; amd. Sec. 73, Ch. 253, L. 1974; R.C.M. 1947, 60-134.**

**82-11-144. Court review.** Any interested person adversely affected by any provision of this chapter or by any rule or order adopted by the board hereunder or by any act done or threatened thereunder may obtain court review and seek relief by a suit for an injunction against the board as defendant, which suit may be instituted in the district court of the county where the board keeps its principal office or in the district court of any county wherein the land involved or any part thereof is situated. The term "interested person", as used herein, shall be interpreted broadly and liberally, especially where the suit involves the right to drill a well or involves some other act which clearly affects the plaintiff even though the effect is indirect. If the act complained of involves a general order for a pool or the right to drill a well therein, a person who owns or has an interest in a well in the pool, which well is capable of producing oil or gas, shall be considered to be prima facie an interested person. The suit shall be given a preferential setting and shall be tried de novo and disposed of as an ordinary civil suit and not upon the record of any hearing before the board. The statute, rule, order, or decision involved in the suit shall be prima facie valid; however, the finding of fact, actual or presumed, made by the board in support of the rule, order, or decision involved in the suit is not binding on the court though supported by evidence introduced at a hearing before the board. The court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any board action. The court shall:

(1) compel board action unlawfully withheld or unreasonably delayed;

(2) hold unlawful and set aside board action, findings, and conclusions found to be:

(a) arbitrary, unreasonable, capricious, and abuse of discretion or otherwise not in accordance with law;

(b) contrary to constitutional right, power, privilege, or immunity;

(c) in excess of statutory jurisdiction, authority, or limitations or short of statutory right;

(d) without observance of procedure required by law; or

(e) unwarranted by the facts; and

(3) consider all the evidence, pass on the credibility of witnesses and the weight to be given their testimony, and resolve such fact issues as may be necessary for decision in the case.

**History: En. Sec. 12, Ch. 238, L. 1953; amd. Sec. 74, Ch. 253, L. 1974; R.C.M. 1947, 60-135(1).**

**Cross-References**

Judicial review of contested cases, Title 2, ch. 4, part 7.

**82-11-145. Injunction or restraining order.** (1) A temporary restraining order or temporary injunction of any kind may not be granted against the board and its members or against the attorney general or against an employee of the board, restraining the board and its members or employees or the attorney general from enforcing this chapter or any rule or order made thereunder, until it is shown to the satisfaction of the court that the act done or threatened is probably without sanction of the law or that the provisions of this chapter or the rule or order complained of is probably invalid or unreasonable and that, if enforced against the complaining party, will probably cause an irreparable injury.

(2) With respect to an order or decree granting temporary injunctive relief, the nature and extent of the probable invalidity of the statute or of any

provision of this chapter or of a rule or order thereunder involved in the suit must be recited in the order or decree granting the temporary relief, as well as a clear statement of the probable damage relied upon by the court as justifying temporary injunctive relief.

(3) A temporary restraining order or temporary injunction of any kind against the board or its members or its employees or the attorney general may not be effective until the plaintiff executes a bond with sufficient sureties in such amount and upon such conditions as the court directs. The bond shall be made payable to the state of Montana, shall be approved by the judge of the court, and shall be for the use and benefit of all persons who may be injured by the acts done under the protection of the temporary restraining order or temporary injunction. A person claiming injury must bring suit within 6 months after the date of the final determination of the validity in whole or in part of the provisions of the chapter or the rule or order, the enforcement of which was enjoined; otherwise the right to bring such suit is forever barred.

**History: En. Sec. 12, Ch. 238, L. 1953; amd. Sec. 74, Ch. 253, L. 1974; R.C.M. 1947, 60-135(2), (3).**

**Cross-References**

Immunity of governmental entities from actions for damages, 2-9-105 through 2-9-113.

Injunctions, Title 27, ch. 19.

**82-11-146. Appeal.** An appeal to the supreme court may be taken from any final judgment, decree, or order in the action, as provided in the Montana Rules of Appellate Procedure.

**History: En. Sec. 12, Ch. 238, L. 1953; amd. Sec. 74, Ch. 253, L. 1974; R.C.M. 1947, 60-135(4).**

**82-11-147. Violations.** (1) Notwithstanding any other provisions of this chapter, if the board finds upon receipt of evidence:

(a) that a person is violating or threatening to violate this chapter or a rule or order of the board, the board may bring suit against that person in the district court of any county where the violation occurs or is threatened to restrain the person from continuing the violation or from carrying out the threat of violation; or

(b) that a person is violating this chapter or a rule or order of the board in a manner for which the board is authorized to institute proceedings pursuant to 82-11-149, the board may issue an order either assessing a civil penalty in the amount prescribed in 82-11-149, up to a maximum administrative penalty of $125,000, or requiring compliance with this chapter or a rule or order, or both.

(2) In a suit under subsection (1)(a), the court may grant to the board, without bond or other undertaking, such prohibitory and mandatory injunctions as the facts may warrant, including temporary restraining orders.

**History: En. Sec. 13, Ch. 238, L. 1953; amd. Sec. 75, Ch. 253, L. 1974; R.C.M. 1947, 60-136; amd. Sec. 10, Ch. 503, L. 1987.**

**Cross-References**

Injunctions, Title 27, ch. 19.

**82-11-148. Criminal penalties.** A person is guilty of a misdemeanor and shall be subject to a fine of not more than $10,000 per day of violation or imprisonment in a county jail for a term not exceeding 6 months or to both the fine and imprisonment if that person willfully violates any lawful rule or order of the board or if that person, for the purpose of evading this chapter or any rule or order of the board, knowingly and willfully:

(1) makes or causes to be made a false entry or statement in a report required by this chapter or by a rule or order of the board or a false entry in a record, account, or memorandum required by this chapter or by a rule or order;

(2) omits or causes to be omitted from the record, account, or memorandum full, true, and correct entries as required by this chapter or by a rule or order; or

(3) removes from this state or destroys, mutilates, alters, or falsifies the record, account, or memorandum.

**History: En. Sec. 19, Ch. 238, L. 1953; amd. Sec. 78, Ch. 253, L. 1974; R.C.M. 1947, 60-142; amd. Sec. 12, Ch. 503, L. 1987.**

**Cross-References**

Unsworn falsification to authorities, 45-7-203.

**82-11-149. Civil penalties.** (1) A person is guilty of a misdemeanor and is subject to a civil penalty of at least $5,000 if that person violates any rule or order of the board or a provision of this chapter. Each day of violation constitutes a separate violation.

(2) Action under this section does not bar enforcement of this chapter or of rules or orders issued under it by injunction or other appropriate remedy.

(3) The board, or the attorney general upon request of the board, shall institute and maintain any enforcement proceedings in the name of the state.

**History: En. Sec. 11, Ch. 503, L. 1987.**

**Cross-References**

Injunctions, Title 27, ch. 19.

Misdemeanor defined, 45-2-101.

**82-11-150. Legal assistance.** When requested by the board, the attorney general or the county attorneys within their respective counties shall perform legal services and conduct legal proceedings necessary to carry out the purposes of this chapter. The board may also employ legal counsel to enforce this chapter and to conduct proceedings under it.

**History: En. Sec. 8, Ch. 503, L. 1987.**

**82-11-151. Emergencies — notice and hearing.** (1) Notwithstanding any other provisions of this chapter, if the administrator or a board member finds that a person is committing or about to commit an act in violation of this chapter or any order or rule issued under it which, if it occurs or continues, will cause substantial pollution, the administrator under order of the board or the board member is authorized to order the person to stop, avoid, or moderate the act, including immediate closure or shutdown of any well. This authority is limited to acts the harmful effects of which will not be remedied immediately after the commission or cessation of the act or will represent an immediate threat to public health, safety, or welfare.

(2) When any emergency requiring immediate action is found pursuant to subsection (1), the board is authorized to issue an emergency order without notice or hearing, which is effective upon issuance as provided in 82-11-141(3).

(3) The board may have written notice served, personally or by mail, on the alleged violator or his agent. The notice must state the provision alleged to be violated, the facts alleged to constitute the violation, the nature of corrective action the board requires, and the time within which the action is to be taken. For the purposes of this section, service by mail is complete on the date of mailing.

(4) The notice must indicate that the order is an emergency order.

(5) Pursuant to 82-11-141(3), the board may consider the emergency order at its next regular meeting, without compliance with the notice requirements of this chapter if they cannot be accomplished within the time available, and enter a second emergency order.

(6) Upon issuing an order under subsection (2), the board may fix a place and time for a hearing, not later than 5 days thereafter unless the person to whom the order is directed requests a later time. The board may deny a request for a later time if it finds that the person to whom the order is directed is not complying with the order. If the board considers it practicable, the hearing must be held in the county where the violation is alleged to have occurred. As soon as practicable after the hearing, the board shall affirm, modify, or set aside the order.

(7) If the order of the board is affirmed, it must be accompanied by a statement specifying the date or dates by which a violation must cease and may prescribe timetables for necessary action in preventing, abating, or controlling the pollution. An action for review of the order of the board may be initiated in the manner specified in 82-11-144. The initiation of such an action or taking of an appeal may not stay the effectiveness of the order unless the court finds that the board did not have reasonable cause to issue an order under this section.

**History:** **En. Sec. 9, Ch. 503, L. 1987.**

### 82-11-152 through 82-11-160 reserved.

**82-11-161. Oil and gas production damage mitigation account — statutory appropriation.** (1) There is an oil and gas production damage mitigation account within the state special revenue fund established in 17-2-102. The oil and gas production damage mitigation account is controlled by the board.

(2) On July 1, 1991, and at the beginning of each succeeding biennium, there must be allocated to the oil and gas production damage mitigation account $50,000 from the interest income of the resource indemnity trust fund, except if at the beginning of a biennium the unobligated cash balance in the oil and gas production damage mitigation account:

(a) equals or exceeds $200,000, no allocation will be made; or

(b) is less than $200,000, then an amount less than or equal to the difference between the unobligated cash balance and $200,000, but not more than $50,000, must be allocated to the oil and gas production damage mitigation account from the interest income of the resource indemnity trust fund.

(3) In addition to the allocation provided in subsection (2), there must be deposited in the oil and gas production damage mitigation account:

(a) all funds received by the board pursuant to 82-11-136; and

(b) all fees received by the board from owners of producing wells pursuant to 82-11-162.

(4) If a sufficient balance exists in the account, funds are statutorily appropriated, as provided in 17-7-502, from the oil and gas production damage mitigation account, upon the authorization of the board, to pay the reasonable costs of properly plugging a well if the board determines that the well, sump, or hole has been abandoned and the responsible person cannot be identified or located or the responsible person does not have sufficient funds to pay the costs. The responsible person shall, however, pay costs to the extent of his available resources and is subsequently liable to fully reimburse the account or is subject to a lien on property as provided in 82-11-164 for costs expended from the account to properly plug the well and to mitigate any damage caused by the well.

(5) Interest from funds in the oil and gas production damage mitigation account accrues to that account.

(6) The board shall submit to the legislature at the beginning of each regular session a complete financial report on the oil and gas production damage mitigation account, including a description of all expenditures made since the preceding report.

**History: En. Sec. 6, Ch. 530, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 14, Ch. 530, L. 1989, provided that this section is effective July 1, 1989.

**82-11-162. Release of producing oil or gas well from drilling bond — fee.** Upon receipt of notification by the owner on a form prescribed by the board, payment by the owner of $125, and proof from the owner that a well completed after June 30, 1989, is producing oil or gas in commercial quantities and is subject to the tax under 15-38-104, the board shall release and absolve the owner of the well from the bond required under 82-11-123.

**History: En. Sec. 7, Ch. 530, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 14, Ch. 530, L. 1989, provided that this section is effective July 1, 1989.

**82-11-163. Landowner's bond on noncommercial well.** If the owner of the surface land upon which has been drilled a well that fails to produce oil or gas in commercial quantities acquires the well for domestic purposes, the board may cancel and absolve the bond required in 82-11-123 upon its acceptance of surety in the form of a certificate of deposit, in the amount of $5,000 for a single well or in the amount of $10,000 for more than one well, or in the form of a property bond of two times the value of the required certificate of deposit. The release of the certificate of deposit or property bond must be conditioned on proof provided by the landowner that the well has been properly plugged.

**History: En. Sec. 8, Ch. 530, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 14, Ch. 530, L. 1989, provided that this section is effective July 1, 1989.

**82-11-164. Lien created.** (1) The oil and gas production damage mitigation account has a lien in the amount of the expenditure from the account under 82-11-161(4), plus interest accrued at the rate of 10% a year, against all real and personal property in this state owned by:

(a) the responsible person, if that person is subsequently identified or located; or

(b) the responsible person, if that person is known but cannot or will not fully reimburse the oil and gas production damage mitigation account.

(2) The lien created under subsection (1) must be filed in the office of the secretary of state and must attach to all real or personal property of the responsible person.

(3) A lien created by this section is valid until paid in full or otherwise discharged. The lien must be foreclosed in accordance with applicable laws governing foreclosure of mortgages and liens.

**History:** **En. Sec. 9, Ch. 530, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 14, Ch. 530, L. 1989, provided that this section is effective July 1, 1989.

## Part 2

## Unit Operations

**82-11-201. Establishment of well spacing units.** (1) To prevent or to assist in preventing waste of oil or gas prohibited by this chapter, the board, upon its own motion or upon application of an interested person, after hearing, may by order establish well spacing units for a pool as to oil wells or as to gas wells or both, except in those pools which, prior to April 1, 1953, have been developed to such an extent that it would be impracticable or unreasonable to establish spacing units at the existing stage of development. Spacing units when established shall insofar as possible be of uniform size and shape for the entire pool.

(2) The size and the shape of spacing units shall be such as will result in the efficient and economic development of the pool as a whole, and the size shall be the area that can be efficiently drained by one well.

(3) Subject to this chapter, the order establishing spacing units shall direct that no more than one well may be drilled and produced from the common source of supply on any spacing unit and that the well shall be drilled at a location authorized by the order, with such exception as may be reasonably necessary where it is shown, upon application, notice, and hearing, and the board finds that the spacing unit is located on the edge of a pool or field and adjacent to a producing unit or, for some other reason, the requirement to drill the well at the authorized location on the spacing unit would be inequitable or unreasonable.

(4) An order establishing spacing units for a pool shall cover all lands then determined or then believed to be underlaid by the pool and may be modified after notice and hearing by the board from time to time to include additional areas subsequently determined to be underlaid by the pool. When found necessary for the prevention of waste, an order establishing spacing units in

a pool may be modified after notice and hearing by the board to increase or decrease the size of spacing units in the pool or to permit the drilling of additional wells in the pool on a reasonably uniform plan.

**History:** **En. Sec. 6, Ch. 238, L. 1953; amd. Sec. 58, Ch. 253, L. 1974; R.C.M. 1947, 60-129.**

**Cross-References**

Administrative procedure, 82-11-141.

**82-11-202. Pooling of interest within spacing unit.** (1) When two or more separately owned tracts are embraced within a spacing unit or when there are separately owned interests in all or a part of the spacing unit, then the persons owning those interests may pool their interests for the development and operation of the spacing unit. In the absence of voluntary pooling within the spacing unit, the board, upon the application of an interested person, may enter an order pooling all interests in the spacing unit for the development and operation thereof. The pooling order shall be made after hearing and shall be upon terms and conditions that are just and reasonable and that afford to the owner of each tract or interest in the spacing unit the opportunity to recover or receive without unnecessary expense his just and equitable share of the oil or gas produced and saved from the spacing unit. Operations incident to the drilling of a well upon any portion of a spacing unit covered by a pooling order shall be considered, for all purposes, the conduct of the operations upon each separately owned tract in the spacing unit by the several owners thereof. That portion of the production allocated to each tract included in a spacing unit covered by a pooling order shall when produced be considered for all purposes to have been produced from the tract by a well drilled thereon.

(2) (a) The pooling order shall provide for the drilling and operating of a well on the spacing unit and for the payment of the cost thereof, which cost may include a reasonable charge for supervision, handling, and storage. As to each owner who refuses to pay his share of the costs of drilling and operating the well, the order shall provide for payment of his share of the cost out of and only out of production from the well allocable to his interest in the spacing unit, excluding royalty or other interest not obligated to pay any part of the cost thereof, and excluding the royalty provided for in subsection (2)(c) of this section. If a dispute arises as to the cost, the board by order shall determine the proper cost. The order may provide in substance that the owners who agree to share in the cost of drilling and operating the well are, unless they agree otherwise, entitled to receive, subject to royalty or similar obligations, all of the production of the well until they have recovered all of the costs out of the production, and thereafter all of the owners in the spacing unit are entitled to receive their respective shares of the production of the well as their interest may appear after deducting their respective shares of current operating costs.

(b) If an owner refuses to pay his share of the costs of drilling and operating the well, the order must include as cost:

(i) 100% of the refusing owner's share of the cost of newly acquired surface equipment beyond the wellhead connections, including but not limited to stock tanks, separators, treaters, pumping equipment, and piping, plus 100% of the refusing owner's share of the cost of operation of the well commencing with first production and continuing until the agreeing owners have recovered such costs; and

(ii) 200% of the refusing owner's share of the costs and expenses of staking, well site preparation, obtaining rights-of-way, rigging up, drilling, reworking, deepening or plugging back, testing, and completing the well, after deducting any cash contributions received from the refusing owners by the agreeing owners, and 200% of that portion of the cost of equipment in the well, including the wellhead connections.

(c) A refusing owner of an oil and gas interest in a spacing unit which is not subject to any lease or other contract for development of oil and gas is considered to own a landowner royalty equal to one-eighth of his proportionate share of production from the well until such time as the consenting owners recover the costs specified in subsection (2)(b). Any interest in production from the spacing unit to which the interest of the refusing owner may be subject must be deducted from the royalty considered to be owned by the refusing owner. After costs have been recovered by the agreeing owners, the refusing owner owns his proportionate share of the well, surface facilities, and production and is liable for further costs as if he had originally agreed to drilling of the well.

(d) The operator of a well under a pooling order in which there is a refusing owner shall upon demand furnish such owner with a monthly statement of all costs incurred, together with the quantity of oil or gas produced and the amount of proceeds realized from the sale of production during the preceding month.

**History: En. Sec. 7, Ch. 238, L. 1953; amd. Sec. 59, Ch. 253, L. 1974; R.C.M. 1947, 60-130; amd. Sec. 1, Ch. 694, L. 1985.**

**Cross-References**

Pooling agreements and unit operations by Board of Land Commissioners, 77-3-430.

Acreage pooling by political subdivisions, 82-10-202.

Administrative procedure, 82-11-141.

**82-11-203. Pooling agreements not in violation of antitrust laws.** (1) An agreement for the unit or cooperative development and operation of a field or pool or any part of either or for conducting repressuring or pressure maintenance operations, cycling or recycling operations, including the extraction and separation of liquid hydrocarbons from natural gas in connection therewith, or any other method of unit or cooperative operation, including water flooding, is authorized and may be performed.

(2) Such an agreement does not violate any of the statutes of this state relating to trusts, monopolies, or contracts and combinations in restraint of trade if the agreement is approved by the board as being in the public interest and reasonably necessary to increase ultimate recovery or to prevent waste of oil or gas.

**History: En. Sec. 8, Ch. 238, L. 1953; amd. Sec. 60, Ch. 253, L. 1974; R.C.M. 1947, 60-131.**

**Cross-References**

Restraint of trade, Title 30, ch. 14, part 2.

**82-11-204. Hearing on operation of pool as unit.** (1) The board, upon the application of persons owning leasehold interests underlying 60% of the surface within the delineated area, shall hold a hearing to consider the need for the operation as a unit of one or more pools or parts thereof in a field for enhanced recovery purposes as to oil or oil and gas, to increase ultimate recovery, or to prevent waste of gas from pools or portions of pools where gas only is produced.

(2) At least 60 days prior to application, the applicant shall, by registered or certified mail, notify all known persons owning an interest in the oil and gas within the proposed unit area as disclosed by the records of the county or counties in which the proposed unit area is situated, at those persons' last known addresses, of the applicant's intention to make the application. At the same time producers shall be furnished with a plan of unit operations. Upon written request of an operator of a lease which is in whole or in part within the confines of the proposed delineated area, the applicant shall furnish the operator with copies of any exhibits to be submitted to the board at the time of hearing.

**History:** **En. Sec. 1, Ch. 33, L. 1969; amd. Sec. 1, Ch. 150, L. 1971; amd. Sec. 61, Ch. 253, L. 1974; amd. Sec. 2, Ch. 336, L. 1977; R.C.M. 1947, 60-131.1.**

**Cross-References**

Unit operation not restraint of trade, 82-11-215.

**82-11-205. Board order for unit operation — criteria.** The board shall make an order providing for the unit operation of a pool or pools or part thereof if it determines, based on evidence presented at the hearing, that:

(1) such operation is reasonably necessary to increase the ultimate recovery of oil or gas;

(2) the value of the estimated additional recovery of oil or gas less royalties or, as to gas pools only, the value of the economies to be effected, exceeds the estimated additional cost incident to conducting such operations; and

(3) the full areal extent of the pool or pools or part thereof has been reasonably defined and determined by drilling operations.

**History:** **En. Sec. 2, Ch. 33, L. 1969; amd. Sec. 2, Ch. 150, L. 1971; amd. Sec. 62, Ch. 253, L. 1974; R.C.M. 1947, 60-131.2.**

**82-11-206. Terms and conditions of plan for unit operations.** The order shall be upon terms and conditions that are just and reasonable and shall prescribe a plan for unit operations that shall include:

(1) a description of the pool or pools or parts thereof to be so operated, termed the unit area, but only so much of a pool as has reasonably been defined and determined by drilling operations to be productive of oil or gas may be included within the unit area. If the unit is formed solely for production of gas, a spacing unit on which is located a well producing or capable of producing gas on March 1, 1971, may not be included in the unit area without the written consent of the majority in interest of the working interest owners of the spacing unit and well.

(2) a statement of the nature and purpose of the plan and operations contemplated, together with a copy of the proposed unit agreement and unit operating agreement;

(3) a plan for allocating to each tract in the unit area its fair share of the oil and gas produced from the unit area and not required or consumed in the conduct of the operation of the unit area or unavoidably lost. A plan may not be approved by the board until it has considered the relative value that the share of production bears to the relative value of all of the separately owned

tracts in the unit area, exclusive of physical equipment utilized in unit operations. In considering this relative value, the board shall weigh the economic value of the gas to all persons affected as compared to the economic value of the oil to all persons affected.

(4) a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials, and equipment contributed to the unit operations;

(5) a provision providing how the costs of unit operations, including overhead and capital investments, shall be determined and charged to the separately owned tracts, including a provision for carrying or otherwise financing any owner who has not executed the proposed unit operating agreement and who elects to be carried or otherwise financed, allowing an interest charge of the then current prime rate plus 2% for the service. Recovery of the money advanced plus interest shall be limited to and only shall be recoverable from the owners' share of production. The recovery shall be as follows:

(a) in the case of a field producing oil or oil and gas, during the period of depletion of the remaining estimated primary reserves from the unit, only from the production that is in excess of the owners' average actual rate of production during the 18 months immediately preceding the effective date of the unit; during the period subsequent to the depletion of the remaining estimated primary reserves from the unit, from 100% of the owners' share of production; for purposes of this subsection, the term "primary reserves" means the oil or gas which would be produced from the unitized pool or pools as a result of the natural energy therein and without the introduction of an enhanced recovery program;

(b) in the case of a field producing only gas, from 100% of the owners' share of production;

(c) in the case of any enhanced recovery program that is initiated subsequent to a secondary recovery program, the recovery shall be from 75% of the owners' increased share of production from such subsequent program;

(6) a provision for the supervision and conduct of the unit operations, in respect to which each owner shall have a vote with a value corresponding to the percentage of the costs of unit operations chargeable against the interest of the owner;

(7) a provision whereby the unit operator, after having operated for a minimum period of 2 years, can be challenged by any other owner in the unit, and the challenging owner may succeed to the unit operations upon a showing that:

(a) he can operate more efficiently and economically than the present operator;

(b) he is qualified and financially responsible;

(c) a majority of the other owners, both in number and in percentage and exclusive of the challenged operator, approved the challenging owner becoming unit operator; and

(d) the challenged operator does not initiate the conditions of operations of the challenging owner within 60 days of the challenged operator's receipt of the conditions of operations;

(8) the time when the unit operations shall commence and the manner in which and the circumstances under which the unit operations shall terminate; and

(9) such additional provisions that are found to be appropriate for carrying on unit operations and for the protection and adjustment of correlative rights.

**History: En. Sec. 3, Ch. 33, L. 1969; amd. Sec. 3, Ch. 150, L. 1971; amd. Sec. 63, Ch. 253, L. 1974; amd. Sec. 3, Ch. 336, L. 1977; R.C.M. 1947, 60-131.3.**

**82-11-207. Approval of plan for unit operations by persons paying costs.** An order of the board providing for unit operations may not become effective unless and until the plan for unit operations prescribed by the board has been approved in writing by those persons who under the board's order will be required to pay at least 80% of the costs of the unit operations and also by the persons owning at least 80% of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties, overriding royalties, and production payments, and the board has made a finding, either in the order providing for unit operations or in a supplemental order, that the plan for unit operations has been so approved; however, if one owner who is obligated to pay costs of the unit operation owns 80% or more but less than 100%, the approval of that owner and at least one other such owner is required, and if one person entitled to production or proceeds thereof that will be credited to interests which are free of costs owns 80% or more but less than 100%, the approval of that person and at least one other such person is required. If the plan for unit operations has not been so approved at the time the order providing for unit operations is made, the board shall, upon application and notice, hold such supplemental hearings as may be required to determine if and when the plan for unit operations has been so approved. If the requisite number of owners and persons and the requisite percentage of interests in the unit area do not approve the plan for unit operations within a period of 6 months from the date on which the order providing for unit operations is made, the board shall revoke the order unless for good cause shown the board extends the time.

**History: En. Sec. 4, Ch. 33, L. 1969; amd. Sec. 64, Ch. 253, L. 1974; R.C.M. 1947, 60-131.4.**

**82-11-208. Board orders — amendment.** An order providing for unit operations may be amended by an order made by the board in the same manner and subject to the same conditions and notice as an original order providing for unit operations; however, if such an amendment affects only the rights and interests of the owners, the approval of the amendment by the persons owning interests which are free of costs, such as royalties, overriding royalties, and production payments, is not required, and an order of amendment may not change the percentage for the allocation of oil and gas as established for any tract by the original order, except with the consent of all persons owning oil and gas rights in the tract, or change the percentage for the allocation of cost as established for any tract by the original order, except with the consent of all owners in the tract.

**History: En. Sec. 5, Ch. 33, L. 1969; amd. Sec. 65, Ch. 253, L. 1974; R.C.M. 1947, 60-131.5.**

**82-11-209. Units established by previous order.** The board may provide by an order for the unit operation of a pool or pools or parts thereof that embrace a unit established by an order of the board made prior to February 13, 1969. The order, in providing for the allocation of unit production, shall first treat the unit area previously established as a single tract, and the portion of the unit production so allocated thereto shall then be allocated among the tracts included in the previously established unit area in the same proportions as those specified in the previous order. Any new owner whose interest by the order is added to the unit area and who becomes liable for his proportionate share of the costs of unit operations is not liable for any unit operating costs incurred prior to the person's entry in the unit. At the time the interest is included in the unit, an equipment inventory shall be made in order to charge the newly committed interest with its proportionate share of capital investment at its then value. An oil-in-storage inventory shall be taken immediately prior to adding the newly committed interest.

**History:** **En. Sec. 6, Ch. 33, L. 1969; amd. Sec. 4, Ch. 150, L. 1971; amd. Sec. 66, Ch. 253, L. 1974; R.C.M. 1947, 60-131.6.**

**82-11-210. Unit operations — less than whole of pool.** An order may provide for unit operations on less than the whole of a pool where the unit area is of such size and shape as may be reasonably required for that purpose and the conduct thereof will have no adverse effect upon other portions of the pool.

**History:** **En. Sec. 7, Ch. 33, L. 1969; R.C.M. 1947, 60-131.7.**

**82-11-211. Operations considered as done by all owners in unit.** (1) All operations, including but not limited to the commencement, drilling, or operation of a well upon any portion of the unit area, shall be considered for all purposes the conduct of those operations upon each tract in the unit area by the several owners thereof. The portion of the unit production allocated to a tract in a unit area shall, when produced, be considered for all purposes to have been actually produced from the tract by a well drilled thereon.

(2) Operations conducted pursuant to an order of the board providing for unit operations shall constitute a fulfillment of all the express or implied obligations of each lease or contract covering lands in the unit area to the extent that the obligations cannot be performed because of the order of the board.

**History:** **En. Sec. 8, Ch. 33, L. 1969; amd. Sec. 67, Ch. 253, L. 1974; R.C.M. 1947, 60-131.8.**

**82-11-212. Property rights and operator's lien.** That portion of the unit production allocated to any tract and the proceeds from the sale thereof shall be the property and income of the several persons to whom or to whose credit the same are allocated or payable under the order providing for unit operations, except that the operator of the unit shall, subject to 82-11-206(5)(a), have a first and prior lien upon each owner's oil and gas rights and his share of unitized production to secure the payment of such owner's proportionate part of developing and operating the unit area. Such lien may be perfected and enforced in the same manner as provided in Title 71, chapter 3, part 5, as amended. Upon demand by any owner of working interest in any tract to which gas has been allocated, the unit operator shall deliver such allocated share of gas to the owner in kind; but the operator and the other owners of interest shall not be required to bear the cost of providing additional facilities for the delivery of such gas.

**History:** **En. Sec. 9, Ch. 33, L. 1969; amd. Sec. 5, Ch. 150, L. 1971; R.C.M. 1947, 60-131.9.**

**82-11-213. Contract not terminated by board order.** A division order or other contract relating to the sale or purchase or production from a tract may not be terminated by the order providing for unit operations but shall remain in force and apply to oil and gas allocated to the tract until terminated in accordance with the provisions thereof.

**History: En. Sec. 10, Ch. 33, L. 1969; amd. Sec. 68, Ch. 253, L. 1974; R.C.M. 1947, 60-131.10.**

**82-11-214. Title to oil and gas rights not affected by board order.** Except to the extent that the parties affected so agree, an order providing for unit operations does not result in a transfer of all or any part of the title of any person to the oil and gas rights in any tract in the unit area. All property, whether real or personal, that may be acquired in the conduct of unit operations hereunder shall be acquired for the account of the owners within the unit area and shall be the property of those owners in the proportion that the expenses of unit operations are charged.

**History: En. Sec. 11, Ch. 33, L. 1969; amd. Sec. 69, Ch. 253, L. 1974; R.C.M. 1947, 60-131.11.**

**82-11-215. Unit operation not restraint of trade.** The formation of a unit as provided in 82-11-204 through 82-11-216 and the operation of the unit under order of the board shall not be in violation of any statute of this state relating to trusts, monopolies, contracts, or combinations in restraint of trade.

**History: En. Sec. 12, Ch. 33, L. 1969; amd. Sec. 70, Ch. 253, L. 1974; R.C.M. 1947, 60-131.12.**

**Cross-References**

Restraint of trade, Title 30, ch. 14, part 2.

**82-11-216. No creation of relationship between parties in unit.** The formation of such a unit as herein provided will not create a relationship between the parties thereto which shall be deemed to be or constitute a joint endeavor, adventure, undertaking, association, or mining or other partnership.

**History: En. Sec. 13, Ch. 33, L. 1969; R.C.M. 1947, 60-131.13.**

## Part 3

## Interstate Oil and Gas Conservation Compact

**82-11-301. Authorization to join interstate compact for conservation of oil and gas.** The governor of the state of Montana is hereby authorized and directed, for and in the name of the state of Montana, to join with other states in the Interstate Compact To Conserve Oil and Gas, which was heretofore executed in the city of Dallas, Texas, on February 16, 1935, and is now deposited with the department of state of the United States and which has been extended with the consent of congress to September 1, 1947.

**History: En. Sec. 1, Ch. 121, L. 1945; R.C.M. 1947, 60-601.**

**82-11-302. Interstate oil and gas compact.** The Interstate Compact To Conserve Oil and Gas referred to in the above section, and which it is hereby proposed to enter and to extend by agreement reads as follows:

## AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

### Article I

This agreement may become effective within any compacting state at any time as prescribed by that state and shall become effective within those states ratifying it whenever any three of the states of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing state may become a party hereto as hereinafter provided.

### Article II

The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

### Article III

(1) Each state bound hereby agrees that within a reasonable time it will enact laws or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

(a) the operation of any oil well with an inefficient gas-oil ratio;

(b) the drowning with water of any stratum capable of producing oil or gas or both oil and gas in paying quantities;

(c) the avoidable escape into the open air or the wasteful burning of gas from a natural gas well;

(d) the creation of unnecessary fire hazards;

(e) the drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof;

(f) the inefficient, excessive, or improper use of the reservoir energy in producing any well.

(2) The enumeration of the foregoing subjects shall not limit the scope of the authority of any state.

### Article IV

Each state bound hereby agrees that it will, within a reasonable time, enact statutes or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order, or regulation promulgated thereunder shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

### Article V

It is not the purpose of this compact to authorize the states joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof or create or perpetuate monopoly or to promote regimentation but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

### Article VI

(1) Each state joining herein shall appoint one representative to a commission hereby constituted and designated as the interstate oil compact commission, the duty of which said commission shall be to make inquiry and

ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said commission deems beneficial, it shall report its findings and recommendations to the several states for adoption or rejection.

(2) The commission shall have the power to recommend the coordination of the exercise of the police powers of the several states within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said states and to recommend measures for the maximum ultimate recovery of oil and gas. Said commission shall organize and adopt suitable rules and regulations for the conduct of its business.

(3) No action shall be taken by the commission except:

(a) by the affirmative votes of the majority of the whole number of the compacting states, represented at any meeting; and

(b) by a concurring vote of a majority in interest of the compacting states at said meeting, such interest to be determined as follows: Such vote of each state shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half year to the daily average production of the compacting states during said period.

### Article VII

No state by joining herein shall become financially obligated to any other state, nor shall the breach of the terms hereof by any state subject such state to financial responsibility to the other states joining herein.

### Article VIII

(1) This compact shall expire September 1, 1947. But any state joining herein may, upon 60 days' notice, withdraw herefrom.

(2) The representatives of the signatory states have signed this agreement in a single original which shall be deposited in the archives of the department of state of the United States, and a duly certified copy shall be forwarded to the governor of each of the signatory states.

(3) This compact shall become effective when ratified and approved as provided in Article I. Any oil-producing state may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

(4) Done in the city of Dallas, Texas, this sixteenth day of February, 1935.

(Originally signed by the representatives of the following states: Oklahoma, Texas, New Mexico, Colorado, Illinois, Michigan, California, Arkansas, and Kansas.)

**History: En. Sec. 2, Ch. 121, L. 1945; R.C.M. 1947, 60-602.**

**82-11-303. Extension of expiration date.** The governor of Montana is further authorized and empowered, for and in the name of the state of Montana, to execute agreements for the further extension of the expiration date of the Interstate Compact To Conserve Oil and Gas and to determine if and when it shall be for the best interest of the state of Montana to withdraw from said compact upon 60 days' notice as provided by its terms. In the event he shall determine that the state should withdraw from said compact, he shall have full power and authority to give necessary notice and to take any and all steps necessary and proper to effect the withdrawal of the state of Montana from said compact.

**History:** **En. Sec. 3, Ch. 121, L. 1945; R.C.M. 1947, 60-603.**

**82-11-304. Governor as member of interstate oil compact commission.** The governor shall be the official representative of the state of Montana on the interstate oil compact commission, provided for in the Interstate Compact To Conserve Oil and Gas, and shall exercise and perform for the state of Montana all the powers and duties as a member of the interstate oil compact commission; provided that he shall have the authority to appoint an assistant representative who shall act in his stead as the official representative of the state of Montana as a member of said commission. Said assistant representative shall take the oath of office prescribed by The Constitution of the State of Montana, which shall be filed with the secretary of state.

**History:** **En. Sec. 4, Ch. 121, L. 1945; R.C.M. 1947, 60-604.**

**Cross-References**

Oath of office, Art. III, sec. 3, Mont. Const.

**82-11-305. Limitation on power of representative.** Nothing in this part shall be construed as granting any power to the representative of the state of Montana in his private or official capacity or to the interstate oil compact commission to prorate, allocate, regulate, or control oil or gas production or refined products thereof within the state of Montana or the markets therefor and shall not have the effect or be construed as in any manner surrendering to the federal government any rights over or in the production, sale, or transportation of oil or gas or the refined products thereof in the state of Montana; nor shall anything in this part be understood or construed to bind or obligate the state of Montana to enact any new legislation or to amend or alter any laws heretofore enacted and now in force pertaining to the oil and gas industries in Montana.

**History:** **En. Sec. 5, Ch. 121, L. 1945; R.C.M. 1947, 60-605.**

**Cross-References**

Separation of powers, Art. III, sec. 1, Mont. Const.

**82-11-306. Expenses of representative.** The representative or the assistant representative appointed by the governor of the state of Montana to the oil compact commission shall be allowed and paid his reasonable expenses while engaged in the performance of his official duties, and his expenses and all other expense incurred in connection with the interstate oil compact and the interstate oil compact commission shall be paid out of the board of oil and gas conservation revenue fund in accordance with the provisions of 82-11-135, as amended.

**History:** **En. Sec. 6, Ch. 121, L. 1945; amd. Sec. 33, Ch. 39, L. 1977; R.C.M. 1947, 60-606.**

# CHAPTERS 12 THROUGH 14

## RESERVED

# CHAPTER 15

## REGULATION OF PETROLEUM PRODUCTS

### Part 1 — Regulation of Manufacture and Distribution

82-15-101. Definitions.
82-15-102. Enforcement of part — rules.
82-15-103. Standards for petroleum products.
82-15-104. Department authorized to employ laboratory for testing.
82-15-105. Licenses and fees.
82-15-106. Refusing, suspending, and revoking licenses — hearing required.
82-15-107. Inspections, sampling, and tests by department to insure compliance with part.
82-15-108. Approved measure required for part delivery.
82-15-109. Full compartment sales — approval of meter.
82-15-110. Unlawful acts.
82-15-111. Penalty for violations.
82-15-112. Injunction against violations.

### Part 2 — Price Discrimination

82-15-201. Standard petroleum product defined.
82-15-202. Purpose.
82-15-203. Discrimination in price of petroleum products.
82-15-204. Investigation of complaints — revocation of license.
82-15-205. County attorney to prosecute violations.
82-15-206. Penalty.
82-15-207. Liability for civil and exemplary damages.

## Part 1

## Regulation of Manufacture and Distribution

**82-15-101. Definitions.** As used in this part the following definitions apply:

(1) "Dealer" means any person engaged in the petroleum business and includes petroleum dealers and liquefied petroleum dealers.

(2) "Department" means the department of commerce provided for in Title 2, chapter 15, part 18.

(3) "Liquefied petroleum dealer" means a dealer engaged, directly or indirectly, in the business of delivering or distributing to a consumer or of selling or offering or advertising for sale or refining or manufacturing or keeping for sale in this state any petroleum product composed predominately of any of the following hydrocarbons or mixtures thereof: propane, propylene, butanes (normal butane or isobutane), and butylenes but excluding prepackaged liquefied petroleum products.

(4) "Mislabeled" means a package label or dispensing device of a product which bears any statement, design, or device regarding the same or regarding

ingredients or substances therein or regarding the properties, quality, or kind of such products, which is false or misleading in any manner.

(5) "Person" means an individual, trust, estate, partnership, corporation, joint-stock company, firm, agency, association, or any receiver appointed by law.

(6) "Petroleum dealer" means a dealer engaged, directly or indirectly, in the business of delivering or distributing to a consumer or offering or advertising for sale, refining, manufacturing, or keeping for sale in this state any gasoline, kerosene, distillate, road oil, fuel oil, lubricating oil, or greases or any oil or gas or oil and gas product except prepackaged petroleum products and except as otherwise defined as a liquefied petroleum dealer in subsection (3).

(7) "Sell" and "sale" includes barter and exchange.

**History: En. 60-234 by Sec. 1, Ch. 77, L. 1977; R.C.M. 1947, 60-234; amd. Sec. 2, Ch. 274, L. 1981.**

**82-15-102. Enforcement of part — rules.** This part shall be enforced by the department. It may adopt necessary and reasonable rules for the implementation of the provisions and intent of this part, and those rules have the effect of law.

**History: En. 60-235 by Sec. 2, Ch. 77, L. 1977; R.C.M. 1947, 60-235.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**82-15-103. Standards for petroleum products.** The standards and specifications for petroleum products, including but not limited to gasoline, fuel oils, diesel fuel, kerosene, and liquefied petroleum gases, shall be determined by the department and shall be based upon nationally recognized standards and specifications such as are published from time to time by the American society for testing materials. When so determined by the department and adopted as rules, such standards and specifications are the standards and specifications for such products sold in this state and official tests of such products shall be based upon them.

**History: En. 60-236 by Sec. 3, Ch. 77, L. 1977; R.C.M. 1947, 60-236.**

**82-15-104. Department authorized to employ laboratory for testing.** The department may employ a laboratory having sufficient facilities to make tests of petroleum products as required and pay reasonable compensation for the analyses and tests made by it.

**History: En. 60-237 by Sec. 4, Ch. 77, L. 1977; R.C.M. 1947, 60-237.**

**82-15-105. Licenses and fees.** (1) A petroleum dealer or liquefied petroleum dealer may not do business in this state until a license has been issued to him by the department. The license shall be obtained by the dealer by making application to the department upon blank forms provided by the department. A dealer who has not been issued a license and who is found selling, offering for sale, delivering, or distributing petroleum products shall upon conviction be punished as provided by this part.

(2) The fee for this license shall be determined as follows and depends upon the number of devices utilized by the dealer:

(a) each gasoline pump, diesel pump, or fuel oil pump measuring device—$5;

(b) each petroleum vehicle tank meter or bulk petroleum meter of 2 inches (5.08 centimeters) and under—$15;

(c) each bulk petroleum meter over 2 inches (5.08 centimeters)—$20;

(d) each liquefied petroleum liquid meter—$25;

(e) each vapor meter—$3;

(f) each petroleum and liquefied petroleum vehicle tank up to and including 2,000 gallons (7,570 liters)—$20;

(g) each petroleum and liquefied petroleum vehicle tank over 2,000 gallons (7,570 liters)—$20 plus $4 for each additional 1,000 gallons (3,785 liters).

(3) All licenses are annual and nontransferable as to person or location and expire on December 31 of each year. There is an additional charge of 50% on all license fees that are not paid before March 1 of each year in which the vehicle tank, meter, or measuring device is in use. If the fee is not paid, the equipment shall be sealed and removed from service by the department. It is unlawful for anyone to use a device so removed from service or to break the seal until all fees have been paid.

**History: En. 60-238 by Sec. 5, Ch. 77, L. 1977; R.C.M. 1947, 60-238; amd. Sec. 1, Ch. 252, L. 1983.**

**82-15-106. Refusing, suspending, and revoking licenses — hearing required.** The department may refuse to grant a license or may suspend or revoke a license already granted for due cause after hearing noticed for not less than 10 days. Violation of any provision of this part or any lawful order or rule of the department is cause for which the department may suspend, revoke, or refuse to issue a license. The suspension, revocation, or refusal may be conditioned on those terms which the department considers just and proper.

**History: En. 60-239 by Sec. 6, Ch. 77, L. 1977; R.C.M. 1947, 60-239.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**82-15-107. Inspections, sampling, and tests by department to insure compliance with part.** (1) For the purpose of obtaining information regarding suspected violation of this part, the department has access to all places where the commodities subject to regulation under this part are sold, offered for sale or kept for sale, manufactured, transported, or stored or where the books, papers, records, or documents relative to those transactions are kept and may inspect and copy them at any place in this state.

(2) The department may sample, inspect, and test any of the commodities subject to this part upon tendering payment for them, whether they originate at points outside the state or otherwise and whether they are in transport or at rest in places where they are to be sold.

**History: En. 60-240 by Sec. 7, Ch. 77, L. 1977; R.C.M. 1947, 60-240.**

**Cross-References**

Sale of gasoline and distillates on other than gross basis unlawful — exception, 30-12-409.

**82-15-108. Approved measure required for part delivery.** Part of a compartment delivery may be made only by an approved, calibrated, and sealed meter or an approved measure. Gauge stick measurement is not permitted. All tank markers must be positioned and sealed as provided by the department. The department shall fix by rule fees for retesting meters or measuring devices or vehicle tanks used for distribution by petroleum or liquefied petroleum dealers and for any other special service rendered.

**History:** **En. 60-241 by Sec. 8, Ch. 77, L. 1977; R.C.M. 1947, 60-241.**

**Cross-References**

Sale of gasoline and distillates on other than gross basis unlawful — exception, 30-12-409.

**82-15-109. Full compartment sales — approval of meter.** Full compartment sales or deliveries may only be made in a manner that shall be provided by the department by rule. All other sales or deliveries may only be made through a meter which has been approved, calibrated, and sealed by the department or by weight, unless otherwise provided by the department.

**History:** **En. 60-242 by Sec. 9, Ch. 77, L. 1977; R.C.M. 1947, 60-242.**

**Cross-References**

Sale of gasoline and distillates on other than gross basis unlawful — exception, 30-12-409.

**82-15-110. Unlawful acts.** It is unlawful to:

(1) use any meter or mechanical device for the measurement of gasoline or liquid fuels unless the same has been approved by the department and sealed as correct;

(2) change or in any way tamper with the department's seal without written consent from the department;

(3) make hose delivery from petroleum vehicle tanks unless the tanks have been calibrated by the department under 82-15-108;

(4) sell or deliver liquefied petroleum to a consumer as a liquid or vapor except as provided by 82-15-109;

(5) sell or offer for sale or deliver liquefied petroleum to a consumer as a liquid or vapor the measurement of which has not been temperature corrected to 60 degrees F by means of an automatic compensating device which has been approved, calibrated, and sealed by the department, unless otherwise provided by the department;

(6) sell, offer, or expose for sale any petroleum product for which standards or minimum specifications have been set by the department unless the commodities in all respects meet the tests and standards prescribed;

(7) sell, offer, or expose for sale any petroleum product which is adulterated, mislabeled, or misrepresented with respect to the use for which it is reasonably intended.

**History:** **En. 60-243 by Sec. 10, Ch. 77, L. 1977; R.C.M. 1947, 60-243.**

**Cross-References**

Criminal responsibility of corporations, 45-2-311.

Deceptive business practices, 45-6-318.

**82-15-111. Penalty for violations.** A person who violates any of the provisions of this part or any rule promulgated by the department is guilty of a misdemeanor and upon conviction shall for the first offense be punished by a fine of not less than $10 or more than $1,000 and shall be punished for any subsequent offense by a fine of not less than $50 or more than $5,000, by imprisonment in the county jail for a term not exceeding 1 year, or by both fine and imprisonment.

**History:** **En. 60-244 by Sec. 11, Ch. 77, L. 1977; R.C.M. 1947, 60-244.**

**82-15-112. Injunction against violations.** The department may apply to any court of competent jurisdiction for a temporary or permanent injunction, or both, restraining any person for violating any provision of this part or any rule promulgated by the department pursuant to this part.

**History:** **En. 60-245 by Sec. 12, Ch. 77, L. 1977; R.C.M. 1947, 60-245.**

**Cross-References**

Injunctions, Title 27, ch. 19.

## Part 2

## Price Discrimination

**82-15-201. Standard petroleum product defined.** The term "standard petroleum product" as used herein refers to and includes gasoline, fuel oil, distillates, greases, and lubricating oils.

**History:** **En. Sec. 2, Ch. 111, L. 1935; re-en. Sec. 4193.2, R.C.M. 1935; R.C.M. 1947, 60-402.**

**82-15-202. Purpose.** This part is intended to compel a person, firm, company, association, or corporation doing business in the state of Montana and engaged in the selling of and dealing in standard petroleum products to treat a customer in one part of the state of Montana on an equal basis with a customer in another part of the state or in the nearest adjoining state and to promote the uniform application of the law of the state of Montana providing a tax on gasoline used by a motor vehicle when traveling over a public highway. This part shall be liberally construed to accomplish those purposes.

**History:** **En. Sec. 3, Ch. 111, L. 1935; re-en. Sec. 4193.3, R.C.M. 1935; R.C.M. 1947, 60-403; amd. Sec. 8, Ch. 201, L. 1979.**

**Cross-References**

Gasoline and vehicle fuels taxes, Title 15, ch. 70.

**82-15-203. Discrimination in price of petroleum products.** (1) Any person, firm, company, association, or corporation, either domestic or foreign, doing business in the state of Montana and engaged in the selling of any standard petroleum product that shall demand or collect from any person or customer a higher price for any standard petroleum product in one part of the state of Montana than the price being demanded or collected at substantially the same time by such person, firm, company, association, or corporation from other persons or customers in another part of the state of Montana or in the nearest adjoining state for a like article of standard petroleum product shall be guilty of discrimination which is hereby declared to be a fraud and the agents or officers of such person, firm, company, association, or corporation participating, guilty of a misdemeanor.

(2) In the trial of an action under the provisions of this part, in the determination of the justification of the price demanded or collected by a person, firm, company, association, or corporation charged with a violation of the provisions of this part, transportation, quantity of sales, emergencies, cost of

doing business, or similar differences under the respective conditions may be offered as a matter of defense or justification for the differences in price demanded or collected. When competent evidence is offered in the trial of any action under this part of a demand for or the receipt of a higher price for any standard petroleum product in the state of Montana by any person, firm, company, association, or corporation than such person, firm, company, association, or corporation demanded, collected, or received at substantially the same time for the same or a similar article of standard petroleum product in another part of the state of Montana or in the nearest adjoining state, the burden of proof shall then be upon such person, firm, company, association, or corporation or agents or officers on trial to prove that the difference in the price demanded or collected was justified.

**History:** **En. Sec. 1, Ch. 111, L. 1935; re-en. Sec. 4193.1, R.C.M. 1935; R.C.M. 1947, 60-401.**

**Cross-References**

Unfair competition in sales, 30-14-207.

Accountability for conduct of corporation, 45-2-312.

**82-15-204. Investigation of complaints — revocation of license.** If complaint shall be made to the attorney general that any person, firm, company, association, or corporation is guilty of discrimination as defined by this part, he shall forthwith investigate such complaint, and for that purpose he shall subpoena witnesses, administer oaths, take testimony, and require the production of books or other documents, and if, in his opinion, sufficient grounds exist therefor, he shall prosecute an action in the name of the state in the proper court to annul the charter or revoke the permit or license of such person, firm, company, association, or corporation, as the case may be, and to permanently enjoin such person, firm, company, association, or corporation from doing business in this state. If in such action the court shall find that such person, firm, company, association, or corporation is guilty of discrimination as defined by this part, such court shall annul the charter or revoke the permit or license of such person, firm, company, association, or corporation and may permanently enjoin it or them from transacting business in this state.

**History:** **En. Sec. 4, Ch. 111, L. 1935; re-en. Sec. 4193.4, R.C.M. 1935; R.C.M. 1947, 60-404.**

**82-15-205. County attorney to prosecute violations.** If any person shall present to the county attorney of any county in the state of Montana, in which county such discriminatory acts of any person, firm, company, association, or corporation shall have been committed, a sworn written statement of the price paid, the date, and the parties selling and buying and reasonably reliable information of the price demanded or collected by such person, firm, company, association, or corporation for a corresponding or similar article of standard petroleum product sold or offered for sale in another part of the state of Montana or in the nearest adjoining state by such person, firm, company, association, or corporation, then it shall be the duty of such county attorney to promptly investigate and either commence and prosecute an action or furnish the informant with a written statement of his reasons for not commencing and prosecuting an action under this part.

**History:** **En. Sec. 4-A, Ch. 111, L. 1935; re-en. Sec. 4193.5, R.C.M. 1935; R.C.M. 1947, 60-405.**

**82-15-206. Penalty.** Any person, firm, company, association, or corporation violating any of the provisions of this part shall be guilty of a misdemeanor and shall be punishable by a fine of not exceeding $500.

**History: En. Sec. 5, Ch. 111, L. 1935; re-en. Sec. 4193.6, R.C.M. 1935; R.C.M. 1947, 60-406.**

**Cross-References**

Criminal responsibility of corporations, 45-2-311.

Accountability for conduct of corporation, 45-2-312.

Disposition of fines and forfeitures, 46-18-603.

**82-15-207. Liability for civil and exemplary damages.** In addition to the penalty above prescribed, any customer of such person, firm, company, association, or corporation may bring a civil action in any county in which such offending person, firm, company, association, or corporation may be doing business and recover therein not only actual damages for violation of this part but also exemplary damages for such reasonable sum as the jury may deem proper punishment for the unlawful practice of discrimination as herein defined.

**History: En. Sec. 6, Ch. 111, L. 1935; re-en. Sec. 4193.7, R.C.M. 1935; R.C.M. 1947, 60-407.**

**Cross-References**

Damages, Title 27, ch. 1, part 2.

When exemplary damages allowed, 27-1-221.

Measure of damages, Title 27, ch. 1, part 3.

# TITLES 83 AND 84

RESERVED

# TITLE 85

## WATER USE

Ch.
1. Water Resources.
2. Surface and Groundwater.
3. Atmospheric Water — Weather Modification.
   Chapter 4 reserved.
5. Water Commissioners and Water Mediators.
6. Water Users' Associations.
7. Irrigation Districts.
8. Drainage Districts.
9. Conservancy Districts.
   Chapters 10 through 14 reserved.
15. Dam Safety Act.
16. Wharves and Docks.
   Chapters 17 through 19 reserved.
20. Water Compacts.

**Title Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Water Pollution Control Advisory Council, 2-15-2107.

Board of Water Well Contractors, 2-15-3307.

Water Courts, Title 3, ch. 7.

County water and sewer districts, Title 7, ch. 13, parts 22 and 23.

Municipal sewage and water systems, Title 7, ch. 13, parts 43 and 44.

Property tax exemptions for certain water projects, 15-6-205, 15-6-206.

Taxation of sewage disposal and domestic water supply systems, 15-7-103.

Recreational use of streams, Title 23, ch. 2, part 3.

Smith River Management Act, Title 23, ch. 2, part 4.

Water well contractors, Title 37, ch. 43.

Aircraft landings and takeoffs from public waters, 67-1-204.

Water quality, Title 75, ch. 5.

Public water supplies, distribution and treatment, Title 75, ch. 6.

Aquatic ecosystem protections, Title 75, ch. 7.

Flood plain and floodway management, Title 76, ch. 5.

Conservation districts — water conservation, Title 76, ch. 15, part 4.

Water projects on state lands, 77-1-605.

Geothermal resources, 77-4-104.

Protection of water from mining or reclamation projects, 82-4-251.

Water Policy Committee, 85-2-105.

Fish and Wildlife, Title 87.

Acquisition of water by Department of Fish, Wildlife, and Parks, 87-1-209.

Stream protection, Title 87, ch. 5, part 5.

Protection from renewable resource development projects, 90-2-103.

# CHAPTER 1

## WATER RESOURCES

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85-1-102. Definitions.
85-1-103. Interpretation of title.
85-1-104 through 85-1-110 reserved.
85-1-111. Public ways.
85-1-112. Navigable waters.
85-1-113 through 85-1-120 reserved.
85-1-121. Repealed.
85-1-122. Clark Fork River.

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85-1-201. Rules of board.
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85-1-203. State water plan.
85-1-204. Department powers over state waters.
85-1-205. Acquisition of water in federal reservoirs.
85-1-206. Construction of works by department.
85-1-207. Determination of costs of works.
85-1-208. Construction across streams, highways, or other obstacles.
85-1-209. Acquisition of property by department.
85-1-210. Disposal of property by department.
85-1-211. Management of property — water contracts.
85-1-212. Settlement of disputes over water contracts.
85-1-213. Institution of court actions by department.
85-1-214. Exercise of department powers — scope of jurisdiction.
85-1-215. Department duties — records and operations.
85-1-216. Limitations on liabilities and obligations.
85-1-217. Restoration and repair of damaged property.
85-1-218. Employment of county surveyors.
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## Part 1

## General Provisions

**85-1-101. Policy considerations.** It is hereby declared as follows:

(1) The general welfare of the people of Montana, in view of the state's population growth and expanding economy, requires that water resources of the state be put to optimum beneficial use and not wasted.

(2) The public policy of the state is to promote the conservation, development, and beneficial use of the state's water resources to secure maximum economic and social prosperity for its citizens.

(3) The state, in the exercise of its sovereign power, acting through the department of natural resources and conservation, shall coordinate the development and use of the water resources of the state so as to effect full utilization, conservation, and protection of its water resources.

(4) The development and utilization of water resources and the efficient, economic distribution thereof are vital to the people in order to protect existing uses and to assure adequate future supplies for domestic, industrial, agricultural, and other beneficial uses.

(5) The water resources of the state must be protected and conserved to assure adequate supplies for public recreational purposes and for the conservation of wildlife and aquatic life.

(6) The public interest requires the construction, operation, and maintenance of a system of works for the conservation, development, storage, distribution, and utilization of water, which construction, operation, and maintenance is a single object and is in all respects for the welfare and benefit of the people of the state.

(7) It is necessary to coordinate local, state, and federal water resource development and utilization plans and projects through a single agency of state government, the department of natural resources and conservation.

(8) The greatest economic benefit to the people of Montana can be secured only by the sound coordination of development and utilization of water resources with the development and utilization of all other resources of the state.

(9) Any attempt to gain control of or speculate on large quantities of ground water of the state of Montana is not in the interest of the people and is to be restricted.

(10) To achieve these objectives and to protect the waters of Montana from diversion to other areas of the nation, it is essential that a comprehensive, coordinated multiple-use water resource plan be progressively formulated, to be known as the "state water plan".

**History: En. Sec. 2, Ch. 158, L. 1967; amd. Sec. 119, Ch. 253, L. 1974; R.C.M. 1947, 89-101.2; amd. Sec. 1, Ch. 631, L. 1979.**

**Cross-References**

Right to a clean and healthful environment, Art. II, sec. 3, Mont. Const.

Protection and improvement of the environment — prevention of unreasonable depletion and degradation of natural resources, Art. IX, sec. 1, Mont. Const.

Department of Natural Resources and Conservation, Title 2, ch. 15, part 33.

Recreation, Title 23, ch. 2.

Environmental protection — environmental policy, Title 75, ch. 1.

Water quality, Title 75, ch. 5.

Public water supplies, distribution, and treatment, Title 75, ch. 6.

Aquatic ecosystem protections, Title 75, ch. 7.

Control of state waters for propagation of fish, 87-1-223.

Wildlife protection — stream protection, Title 87, ch. 5, part 5.

**85-1-102. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Administrative costs" means costs incurred by the department:

(a) for the purpose of protecting the department's properties and assets;

(b) to oversee the operation and maintenance of the projects;

(c) to administer contracts and receivables;

(d) to maintain project financial records;

(e) to provide technical assistance for operating, maintaining, and rehabilitating the projects; and

(f) to assist in securing funds for operating, maintaining, and rehabilitating the projects.

(2) "Board" means the board of natural resources and conservation provided for in 2-15-3302.

(3) "Cost of operation and maintenance" means the costs of operation, maintenance, and routine repairs and the costs incurred by the water users' association or the department in the distribution of water from the project, excluding the department's administrative costs.

(4) "Cost of works" means the cost of construction, including any rehabilitation or alteration of the project; the cost of all lands, property, rights, easements, and franchises acquired which are deemed necessary for the construction; the cost of all water rights acquired or exercised by the department in connection with those works; the cost of all machinery and equipment, financing charges, interest prior to and during construction and for a period not exceeding 3 years after the completion of construction; cost of engineering and legal expenses, plans, specifications, surveys, estimates of cost, and other expenses necessary or incident to determining the feasibility or practicability of any project; administrative expense; and other expenses as may be necessary or incident to the financing authorized in this part and the construction of the works and the placing of the works in operation.

(5) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(6) "Owner" means all individuals, irrigation districts, drainage districts, flood control districts, incorporated companies, societies, or associations having any title or interest in any properties, rights, easements, or franchises to be acquired.

(7) "Private person" means any individual, association, partnership, corporation, or other nongovernmental entity not eligible for loans and grants under 85-1-605 but does not include a governmental entity such as an agency, local government, or political subdivision of the state, the United States, or any agency thereof, or any other governmental entity.

(8) "Project" means any one of the works defined in this section or any combination of works which are physically connected or jointly managed and operated as a single unit.

(9) "Public benefits" means those benefits that accrue from a water development project or activity to persons other than the private grant or loan recipient and that enhance the common well-being of the people of Montana. Public benefits include but are not limited to recreation, flood control, erosion reduction, agricultural flood damage reduction, water quality enhancement, sediment reduction, access to recreation opportunities, and wildlife conservation.

(10) "Water development account" means a separate account created by 85-1-617 within the state special revenue fund of the state treasury to finance loans under the provisions of the water development program to agencies, local governments, and political subdivisions of the state, private persons, and any other eligible recipients and to purchase liens and operate property, as provided in 85-1-615, from proceeds of bonds issued under part 6 of this chapter.

(11) "Water development activity" means an action or program to protect and enhance water-based recreation or to protect or enhance water resources for the benefit of agriculture, flood control, or other uses, including but not limited to the promotion of efficient use of water in agriculture, the improvement of water quality in agriculture and other nonpoint source uses, the protection and enhancement of water-based recreation, the control of erosion of

streambanks and control of sedimentation of rivers and streams, and providing greater local and state control of Montana water resources. Water development activities may provide any combination of marketable and nonmarketable benefits.

(12) "Water development state special revenue account" means a separate account created by 85-1-604 within the state special revenue fund of the state treasury for the purposes of the water development program as set forth in 85-1-604.

(13) "Water development project" means a project as defined in subsection (8), except that water development projects are not limited to projects owned or operated by the department.

(14) "Water development debt service fund" means a separate fund created by 85-1-603 within the debt service fund type of the state treasury to be used as provided in 85-1-619.

(15) "Works" means all property and rights, easements, and franchises relating to property and considered necessary or convenient for the operation of the works and all water rights acquired or exercised by the department in connection with those works and includes all means of conserving and distributing water, including, without limiting the generality of the foregoing, reservoirs, dams, diversion canals, distributing canals, waste canals, drainage canals, dikes, lateral ditches and pumping units, mains, pipelines, and waterworks systems and includes all works for the conservation, development, storage, distribution, and utilization of water, including without limiting the generality of the foregoing, works for the purpose of irrigation, flood prevention, drainage, fish and wildlife, recreation, development of power, watering of stock, supplying of water for public, domestic, industrial, or other uses and for fire protection.

**History: En. Sec. 2, Ch. 35, Ex. L. 1933; amd. Sec. 1, Ch. 95, L. 1935; re-en. Sec. 349.2, R.C.M. 1935; amd. Sec. 1, Ch. 163, L. 1965; amd. Sec. 3, Ch. 158, L. 1967; amd. Sec. 120, Ch. 253, L. 1974; R.C.M. 1947, 89-102(part); amd. Sec. 3, Ch. 505, L. 1981; amd. Sec. 29, Ch. 298, L. 1983; amd. Sec. 1, Ch. 332, L. 1987; amd. Sec. 1, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In definition of water development account, after "recipients", inserted "and to purchase liens and operate property, as provided in 85-1-615"; and made minor changes in phraseology. Amendment effective April 11, 1989.

**Cross-References**

Definition of public use — waters property of state, Art. IX, sec. 3, Mont. Const.

Board of Water Well Contractors, 2-15-3307.

Prescriptive easement not acquired by recreational use, 23-2-322.

Water well contractors, Title 37, ch. 43.

"Recreational purposes" defined, 70-16-301.

**85-1-103. Interpretation of title.** The object of this title is to promote the prosperity and welfare of the people of Montana through the sound management of the state's water resources, and its provisions are to be given a liberal interpretation.

**History: En. Sec. 66, Ch. 146, L. 1909; re-en. Sec. 7262, R.C.M. 1921; re-en. Sec. 7262, R.C.M. 1935; amd. Sec. 38, Ch. 460, L. 1977; R.C.M. 1947, 89-2109.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

**85-1-104 through 85-1-110 reserved.**

**85-1-111. Public ways.** Navigable waters and all streams of sufficient capacity to transport the products of the country are public ways for the purposes of navigation and such transportation. This section shall not be construed so as to affect or impair, in any manner, any rights acquired prior to July 1, 1901, by any person, association of persons, or corporation. The right of any person, association of persons, or corporation to take and use any water, as now provided by law, from any stream or streams for the purpose of irrigation or any beneficial or industrial pursuit shall not be abridged.

**History: En. Sec. 2570, Pol. C. 1895; amd. Sec. 1, p. 126, L. 1901; re-en. Sec. 1326, Rev. C. 1907; re-en. Sec. 1604, R.C.M. 1921; Cal. Pol. C. Sec. 2348; re-en. Sec. 1604, R.C.M. 1935; R.C.M. 1947, 89-501.**

**Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

Interference with navigable water as nuisance, 27-30-101, 45-8-111.

Extent of ownership of land bounded by water, 70-16-201.

Irrigation districts, Title 85, ch. 7.

Navigable waters subject to fishing rights, 87-2-305.

**85-1-112. Navigable waters.** (1) All lakes wholly or partly within this state which have been meandered and returned as navigable by the surveyors employed by the government of the United States and all lakes which are navigable in fact are hereby declared to be navigable and public waters, and all persons shall have the same rights therein and thereto that they have in and to any other navigable or public waters.

(2) All rivers and streams which have been meandered and returned as navigable by the surveyors employed by the government of the United States and all rivers and streams which are navigable in fact are hereby declared navigable.

**History: En. Secs. 1, 2, Ch. 95, L. 1933; re-en. Secs. 3717.1, 3717.2, R.C.M. 1935; R.C.M. 1947, 26-336, 26-337.**

**Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

Interference with navigable water as nuisance, 27-30-101, 45-8-111.

Extent of ownership of land bounded by water, 70-16-201.

Navigable waters subject to fishing rights, 87-2-305.

**85-1-113 through 85-1-120 reserved.**

**85-1-121. Repealed.** Sec. 3, Ch. 706, L. 1983 (repealer made permanent sec. 23, Ch. 573, L. 1985).

**History: En. Sec. 1, Ch. 220, L. 1921; re-en. Sec. 7135, R.C.M. 1921; re-en. Sec. 7135, R.C.M. 1935; R.C.M. 1947, 89-846.**

**85-1-122. Clark Fork River.** The waters of the Clark Fork River may be impounded or restrained within the state of Montana for a distance not exceeding 25 miles from the Idaho-Montana boundary line by a dam located on said river in the state of Idaho and constructed by any person, firm, partnership, or corporation authorized to do business in the state of Montana. Any present or future appropriations of water in the watershed in the state of Montana for irrigation and domestic use above said dam shall have priority over water for power use at said dam.

**History: En. Sec. 1, Ch. 3, L. 1951; R.C.M. 1947, 89-856.**

## Part 2

## Administration

**85-1-201. Rules of board.** The board may adopt from time to time, as necessary or expedient, suitable rules for the administration of this chapter.

**History:** En. 89-102.1 by Sec. 121, Ch. 253, L. 1974; R.C.M. 1947, 89-102.1.

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**85-1-202. Department actions subject to board approval.** The department may not acquire by appropriation or otherwise a water right or interest therein and may not acquire real property or an interest therein (except rights of access for the purpose of construction, operation, or maintenance of works) or mortgage or otherwise create a lien on the same or dispose of in any manner water rights or real property or interest therein without prior approval of the board. The department may not construct or cause to be constructed or contract for the construction of works or projects without prior approval of the board. The department may not loan funds to a person or water user association for the purpose of constructing or maintaining works without prior approval of the board.

**History:** En. Sec. 2, Ch. 279, L. 1965; amd. Sec. 122, Ch. 253, L. 1974; R.C.M. 1947, 89-103.2.

**Cross-References**

Board of Natural Resources and Conservation — quasi-judicial, 2-15-3302.

Board powers and duties, 85-2-113.

Renewable resource development loans, grants, and bonds, Title 90, ch. 2, part 1.

**85-1-203. State water plan.** (1) The department shall gather from any source reliable information relating to Montana's water resources and prepare from the information a continuing comprehensive inventory of the water resources of the state. In preparing this inventory, the department may conduct studies; adopt studies made by other competent water resource groups, including federal, regional, state, or private agencies; perform research or employ other competent agencies to perform research on a contract basis; and hold public hearings in affected areas at which all interested parties must be given an opportunity to appear.

(2) The department shall formulate and, with the approval of the board, adopt and amend, extend, or add to a comprehensive, coordinated multiple-use water resources plan known as the "state water plan". The state water plan may be formulated and adopted in sections, these sections corresponding with hydrologic divisions of the state. The state water plan must set out a progressive program for the conservation, development, and utilization of the state's water resources and propose the most effective means by which these water resources may be applied for the benefit of the people, with due consideration of alternative uses and combinations of uses. Before adopting the state water plan or any section of the plan, the department shall hold public hearings in the state or in an area of the state encompassed by a section of the plan if adoption of a section is proposed. Notice of the hearing or hearings must be published for 2 consecutive weeks in a newspaper of general

county circulation in each county encompassed by the proposed plan or section of the plan at least 30 days prior to the hearing.

(3) The department shall submit to the water policy committee established in 85-2-105 and to the legislature at the beginning of each regular session the state water plan or any section of the plan or amendments, additions, or revisions to the plan that the department has formulated and adopted.

(4) The legislature, by joint resolution, may revise the state water plan.

(5) The department shall prepare a continuing inventory of the groundwater resources of the state. The groundwater inventory must be included in the comprehensive water resources inventory described in subsection (1) but must be a separate component of the inventory.

(6) The department shall publish the comprehensive inventory, the state water plan, the groundwater inventory, or any part of each, and the department may assess and collect a reasonable charge for these publications.

(7) In developing and revising the state water plan as provided in this section, the department shall consult with the water policy committee established in 85-2-105 and solicit the advice of the committee in carrying out its duties under this section.

**History: En. Sec. 5, Ch. 158, L. 1967; amd. Sec. 138, Ch. 253, L. 1974; R.C.M. 1947, 89-132.1(1) thru (5); amd. Sec. 18, Ch. 573, L. 1985; amd. Sec. 1, Ch. 381, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (4) authorizing Legislature to revise state water plan by resolution; and made minor changes in phraseology, style, and grammar.

**Cross-References**

Public participation in governmental operations, Title 2, ch. 3.

Publication of legal notices, Title 18, ch. 7, part 2.

Water development program, Title 85, ch. 1, part 6.

Surface and ground water, Title 85, ch. 2.

**85-1-204. Department powers over state waters.** (1) The department, with the approval of the board, may sell, lease, and otherwise dispose of all waters which may be impounded under this chapter, and the water may be sold for the purpose of irrigation, development of power, watering of stock, or any other purpose. The department, with the approval of the board, may also lease water under the state water leasing program established under the provisions of 85-2-141. To the extent that it may be necessary to carry out this chapter and subject to a compliance with the other provisions of this chapter, the department has full control of all the water of the state not under the exclusive control of the United States and not vested in private ownership, and it shall take such steps as may be necessary to appropriate and conserve the same for the use of the people. The authority of the department conferred by this chapter extends and applies to rights to the natural flow of the waters of this state which it may acquire, with the approval of the board, by condemnation, purchase, exchange, appropriation, or agreement.

(2) For the purpose of regulating the diversion of those waters, the department may enter upon the means and place of use of all appropriators for making surveys of respective rights and seasonal needs.

(3) The department may take into consideration the decrees of the courts of this state having jurisdiction which purport to adjudicate the waters of a stream or its tributaries, and a fair, reasonable, and equitable reconciliation

shall be made between the claimants asserting rights under different decrees and between decreed rights and asserted rights of appropriation not adjudicated by any court.

(4) The department, at its discretion, may hold hearings relating to the rights of respective claimants after first giving such notice as it considers appropriate and make findings of the date and quantity of appropriation and use of all claimants which the department will recognize and observe in diverting the waters which it owns. The department may police and distribute to the owner of the recognized appropriation the waters due him upon request and under terms agreed upon.

(5) The department, when engaged in controlling and dividing the natural flow of a stream under the authority granted by this chapter, is exercising a police power of the state, and water commissioners appointed by any court may not deprive the department of any of the waters owned or administered under agreement with respective owners. The owner of a prior right contending that the department is not recognizing and respecting the appropriation may resort to a court for the purpose of determining whether or not the rights of the claimant have been invaded, and the department shall observe the terms of the final decree.

(6) When the department impounds or acquires the right of appropriation of the waters of a stream it may divert or authorize the diversion at any point on the stream or any portion thereof when it is done without injury to a prior appropriator.

**History: Ap. p. Sec. 21, Ch. 35, Ex. L. 1933; re-en. Sec. 349.22, R.C.M. 1935; amd. Sec. 136, Ch. 253, L. 1974; amd. Sec. 1, Ch. 255, L. 1975; amd. Sec. 4, Ch. 460, L. 1977; Sec. 89-125, R.C.M. 1947; Ap. p. Sec. 14, Ch. 35, Ex. L. 1933; re-en. Sec. 349.15, R.C.M. 1935; amd. Sec. 43, Ch. 177, L. 1965; amd. Sec. 132, Ch. 253, L. 1974; Sec. 89-118, R.C.M. 1947; R.C.M. 1947, 89-118(part), 89-125(1) thru (6); amd. Sec. 2, Ch. 573, L. 1985.**

**Cross-References**

Bonds of state officers and employees, 2-9-601, 2-9-602.

Development of state lands, Title 77, ch. 1, part 6.

Water rights in connection with geothermal development, 77-4-108.

Hydroelectric resources, Title 77, ch. 4, part 2.

Department assistance to Water Judges, 85-2-243.

Right to appropriate, 85-2-301.

Reservation of waters, 85-2-316.

**85-1-205. Acquisition of water in federal reservoirs.** The department may acquire water or water storage by purchase option or agreement with the federal government from any federal reservoir for the purpose of sale, rent, or distribution for any beneficial use. In such cases, the department is not required to construct any diversion or appropriation facilities or works, and it may sell, rent, or distribute such water at such rates and under such terms and conditions as it considers appropriate.

**History: En. Sec. 21, Ch. 35, Ex. L. 1933; re-en. Sec. 349.22, R.C.M. 1935; amd. Sec. 136, Ch. 253, L. 1974; amd. Sec. 1, Ch. 255, L. 1975; amd. Sec. 4, Ch. 460, L. 1977; R.C.M. 1947, 89-125(7); amd. Sec. 1, Ch. 706, L. 1983; amd. Sec. 14, Ch. 573, L. 1985.**

**Cross-References**

Concurrent jurisdiction over Fort Peck Dam ceded to United States — reservation of rights to state, 2-1-209.

**85-1-206. Construction of works by department.** (1) Subject to the approval of the board, the department may construct works, the cost of the construction to be paid wholly by means of or with the proceeds of revenue bonds hereinafter authorized or of a grant or loan to aid in financing the construction from the United States or any instrumentality or agency thereof and other funds provided for the construction. Before constructing a project, the department shall estimate the cost of the project, the cost of operation and maintenance, and the revenues to be derived therefrom. A project may not be constructed unless, according to the estimates, the revenues to be derived will be sufficient to pay the cost of operation and maintenance and the principal and interest of loans or revenue bonds which may be issued for the cost of the project; however, in connection with the issuance of revenue bonds, the failure of the department to make the estimates required by this section or to make them in proper form does not affect the validity or enforceability of those bonds or of the trust indenture, resolution, or other security therefor.

(2) Should the bid of the lowest responsible bidder on any capital improvement associated with public works exceed the department estimates of the cost of the improvements by more than 5%, the department shall obtain approval from the water user association, whenever an association is involved, before the bid is accepted; however, capital improvements of an emergency nature necessary to protect life or property or to supply immediate needs for water do not require such approval.

(3) A purpose of this chapter is to meet, so far as possible, a statewide need for the conservation and use of water through the construction and operation of projects designed for those purposes. The projects to be finally constructed shall qualify as parts of the statewide program and shall be approved by the board upon the showing of their prospective ability to meet, through the sale of water or other services, the cost of operation and maintenance and the principal and interest of loans and revenue bonds issued to finance the construction. The failure of the board to determine the prospective ability of a project does not affect the validity or enforceability of the bonds or of the trust indenture, resolution, or other security therefor.

**History: En. Sec. 5, Ch. 35, Ex. L. 1933; amd. Sec. 2, Ch. 95, L. 1935; re-en. Sec. 349.5, R.C.M. 1935; amd. Sec. 1, Ch. 278, L. 1973; amd. Sec. 124, Ch. 253, L. 1974; amd. Sec. 1, Ch. 460, L. 1977; R.C.M. 1947, 89-105(1) thru (3); amd. Sec. 2, Ch. 332, L. 1987.**

**Cross-References**

Federal assistance management, Title 17, ch. 3, part 1.

Bond issues, Title 17, ch. 5.

Bid security, Title 18, ch. 1, part 2.

State construction contracts, Title 18, ch. 2.

Water users' associations, Title 85, ch. 6, part 1.

**85-1-207. Determination of costs of works.** The department, in determining how the cost of works must be met, shall consider the value of public benefits and the repayment capacity of the water users. A state grant may be provided by the department to compensate for the value of public benefits, to minimize the liabilities of the state of Montana, and to pay the difference between the water users' repayment capacity and the cost of works.

**History: En. Sec. 2, Ch. 35, Ex. L. 1933; amd. Sec. 1, Ch. 95, L. 1935; re-en. Sec. 349.2, R.C.M. 1935; amd. Sec. 1, Ch. 163, L. 1965; amd. Sec. 3, Ch. 158, L. 1967; amd. Sec. 120, Ch. 253, L. 1974; R.C.M. 1947, 89-102(part); amd. Sec. 3, Ch. 332, L. 1987.**

**Cross-References**

Recreation, Title 23, ch. 2.

Aquatic ecosystem protections, Title 75, ch. 7.

Water conservation and flood control projects, Title 76, ch. 5, part 11.

Irrigation districts, Title 85, ch. 7, part 1.

Dam safety, Title 85, ch. 15.

Wildlife protection, Title 87, ch. 5.

**85-1-208. Construction across streams, highways, or other obstacles.** (1) The department may construct irrigation works across any stream of water, watercourse, streets, avenues, highways, railways, canals, ditches, or flumes in such manner as to afford security to life and property. The department shall restore the same, when so crossed or intersected, to its former state, as near as may be, so as not to destroy its usefulness. A company whose railroads are intersected or crossed by the works shall unite with the department in forming the intersection and crossing. If the railroad company and the department or the owners and controllers of the property, thing, or franchise so to be crossed cannot agree upon the amount to be paid therefor or the points or the manner of the crossing or intersections, the amount shall be ascertained and determined in all respects as herein provided in respect to taking of land for public use.

(2) This section does not require the payment to the state or any subdivision thereof of a sum for the right to cross a public highway with the works. A right-of-way is hereby given, dedicated, and set apart to locate, construct, and maintain the works over and through the lands which are the property of this state.

**History: En. Sec. 1, Ch. 69, L. 1937; amd. Sec. 125, Ch. 253, L. 1974; R.C.M. 1947, 89-106.**

**Cross-References**

Highway crossing railroad, canal, or ditch, 60-4-110.

Duty of railroads to construct drains and ditches, 69-14-240.

Eminent domain, Title 70, ch. 30.

Natural Streambed and Land Preservation Act of 1975, Title 75, ch. 7, part 1.

Right-of-way for irrigation works, 85-7-1909.

**85-1-209. Acquisition of property by department.** (1) The department, subject to the approval of the board under 85-1-202, may acquire by purchase or exchange upon terms and conditions and in a manner it considers proper and acquire by condemnation, in accordance with laws applicable to the condemnation of property for public use, any land, rights, water rights, easements, franchises, and other property considered necessary for the construction, operation, and maintenance of works. Title to property purchased or condemned shall be taken in the name of the department. The department is under no obligation to accept and pay for any property condemned under this chapter except from the funds provided by this chapter. In any proceedings to condemn, orders may be made by the court having jurisdiction of the suit, action, or proceeding as may be warranted by law and the facts.

(2) In condemnation proceeding brought under the powers of eminent domain for the purpose of carrying out this chapter, all persons interested in the title of or holding liens upon the property sought to be acquired as disclosed by the public records shall be made parties, and the court in the action shall partition and distribute the damages awarded, if any, among those persons as their rights appear. If there is controversy between them, the court may direct the amount of the damage awarded to be paid into court to abide the result of further appropriate proceedings either at law or in equity.

(3) The taking possession of the property sought to be condemned may not be delayed by reason of any dispute between the rival claimants or the failure to join any of them as a party to the proceedings in condemnation.

(4) If water rights are acquired or exercised by the department in connection with two or more works or projects, the department by order shall apportion or allocate to each of the works or projects such part of those water

rights as it may determine. Upon the adoption of the order, those water rights shall be considered a part of each of the works or projects to the extent that the water rights have been so apportioned or allocated thereto respectively.

**History: (1) thru (3)En. Sec. 4, Ch. 35, Ex. L. 1933; re-en. Sec. 349.4, R.C.M. 1935; amd. Sec. 123, Ch. 253, L. 1974; Sec. 89-104, R.C.M. 1947 (4)En. Sec. 2, Ch. 3, Ex. L. 1933; amd. Sec. 1, Ch. 95, L. 1935; re-en. Sec. 349.2, R.C.M. 1935; amd. Sec. 1, Ch. 163, L. 1965; amd. Sec. 3, Ch. 158, L. 1967; amd. Sec. 120, Ch. 253, L. 1974; Sec. 89-102, R.C.M. 1947; R.C.M. 1947, 89-102(7), 89-104.**

**Cross-References**

Eminent domain, Art. II, sec. 29, Mont. Const., Title 70, ch. 30.

**85-1-210. Disposal of property by department.** In addition to the powers conferred upon the department to sell, lease, or otherwise dispose of waters for the purpose of irrigation, development of power, watering of stock, or other purposes, the department, with the approval of the board, may sell, lease, or otherwise dispose of waters from its waterworks systems for public, domestic, industrial, and other uses and for fire protection. The department, with the approval of the board, may sell or otherwise dispose of a water project, after the discharge of all of the bonds issued to finance the construction or acquisition thereof, if any, and of all interest thereon and costs and expenses incurred in connection with any action or proceeding by or on behalf of the holders of the bonds. The department shall make a determination of the market value of the water project prior to its sale or other disposition. The department's determination of market value shall consider all liens, encumbrances, and other limitations on the water project.

**History: En. Sec. 6, Ch. 95, L. 1935; re-en. Sec. 349.24, R.C.M. 1935; amd. Sec. 137, Ch. 253, L. 1974; R.C.M. 1947, 89-127; amd. Sec. 1, Ch. 156, L. 1981; amd. Sec. 1, Ch. 305, L. 1987.**

**Cross-References**

Irrigation districts, Title 85, ch. 7.

Drainage districts — bonds and revenues, Title 85, ch. 8, part 6.

Conservancy districts — finance, Title 85, ch. 9, part 6.

Renewable resource development, Title 90, ch. 2, part 1.

**85-1-211. Management of property — water contracts.** (1) Subject to this chapter, the department may fix and establish the prices, rates, and charges at which the resources and facilities made available under this chapter may be sold and disposed of and enter into contracts and agreements and do those things which in its judgment are necessary, convenient, or expedient for the accomplishment of the purposes and objects of this chapter, under such general rules and upon such terms, limitations, and conditions as it prescribes.

(2) The department shall enter into the contracts and fix and establish the prices, rates, and charges so as to provide at all times funds which will be sufficient to pay all costs of operation and maintenance of the works authorized by this chapter, together with necessary repairs thereto, and which will provide at all times sufficient funds to meet and pay the principal and interest of all bonds or loans as they severally become due and payable.

(3) This chapter does not authorize any change, alteration, or revision of those rates, prices, or charges as established by any contract entered into under this chapter except as provided by the contract.

(4) A contract made by the department for the sale of water, use of water, water storage, or other service or for the sale of any property or facilities shall

provide that, in the event of a failure or default in the payment of moneys specified in the contract to be paid to the department, the department may, upon notice as is prescribed in the contract, terminate the contract and all obligations thereunder. The act of the department in ceasing on default to furnish or deliver water, use of water, water storage, or other service under the contract does not deprive the department of or limit any remedy provided by the contract or by law for the recovery of moneys due or which may become due under the contract.

(5) Subject to the approval of the board under 85-1-202, the department may sell, transfer to water user associations, abandon, or otherwise dispose of any rights-of-way, easements, properties, or interests or lease or rent the same or otherwise take and receive the income or profit and revenue therefrom without regard to other laws providing for the disposition of state property. Prior to the department's sale, transfer, or other disposition, a determination shall be made by the department as to the market value of the rights-of-way, easements, properties, or interests to be sold, transferred, abandoned, or otherwise disposed of. The department's determination of market value shall consider all liens, encumbrances, and other limitations on the project properties or interests.

**History:** **En. Sec. 11, Ch. 35, Ex. L. 1933; re-en. Sec. 349.12, R.C.M. 1935; amd. Sec. 1, Ch. 459, L. 1973; amd. Sec. 129, Ch. 253, L. 1974; amd. Sec. 3, Ch. 73, L. 1977; amd. Sec. 2, Ch. 460, L. 1977; R.C.M. 1947, 89-115(1), (3), (5); amd. Sec. 2, Ch. 156, L. 1981; amd. Sec. 2, Ch. 305, L. 1987.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Contracts generally, Title 28, ch. 2 and 3.

**85-1-212. Settlement of disputes over water contracts.** (1) A person aggrieved by a decision of the department to terminate any contract under 85-1-211(4) may appeal to the board and be heard thereon by filing written notice of the appeal with the department within 10 days after receiving notice of termination of the contract from the department. The termination of the contract is stayed if an appeal is taken.

(2) If a dispute arises between the department and another party regarding amounts owing or the terms and conditions under a water marketing or water purchase contract or under a contract for the construction or repair of works, that party may appeal to the board for a hearing thereon and a resolution of the dispute by filing written notice of the appeal with the department within 30 days after the final decision of the department regarding the dispute.

**History:** **En. Sec. 11, Ch. 35, Ex. L. 1933; re-en. Sec. 349.12, R.C.M. 1935; amd. Sec. 1, Ch. 459, L. 1973; amd. Sec. 129, Ch. 253, L. 1974; amd. Sec. 3, Ch. 73, L. 1977; amd. Sec. 2, Ch. 460, L. 1977; R.C.M. 1947, 89-115(4).**

**Cross-References**

Contested cases, Title 2, ch. 4, part 6.

Department actions subject to Board approval, 85-1-202.

Operation of projects with water users' association, 85-6-109.

**85-1-213. Institution of court actions by department.** The department may institute in any court any actions, suits, and special proceedings necessary to enable it to acquire, own, and hold title to lands for dam sites, reservoir sites, water rights, rights-of-way for diversion and distributing canals, and lateral ditches and other means of distribution of water and may also in any court institute, maintain, and prosecute to final determination actions, suits, and special proceedings necessary to have the water rights adjudicated upon any stream or source of water supply from which is derived the water for the reservoir, diversion and distributing canals, lateral ditches, and other means of distribution of the water. The department may join owners of waters appropriated by a person, association, or corporation from the streams of the state so that adjudication may be had of all surplus water upon all the streams and sources of water supply of a project constructed by the department. All costs and expenses of the actions, suits, or special proceedings shall be paid by the department out of funds provided under this chapter.

**History:** En. Sec. 14, Ch. 35, Ex. L. 1933; re-en. Sec. 349.15, R.C.M. 1935; amd. Sec. 43, Ch. 177, L. 1965; amd. Sec. 132, Ch. 253, L. 1974; R.C.M. 1947, 89-118(2).

**Cross-References**

Bonding of state employees, 2-9-602.

Water resources — finance, Title 85, ch. 1, part 3.

Adjudication of water rights, Title 85, ch. 2, part 2.

**85-1-214. Exercise of department powers — scope of jurisdiction.** The department may exercise any of its powers in:

(1) an adjoining state, unless the exercise of that power is not permitted under the laws of that state or of the United States;

(2) a national forest or public domain of the United States adjoining or located in the state of Montana, unless the exercise of those powers is not permitted under the laws of the United States;

(3) an adjoining country, unless the exercise of those powers is not permitted under the laws of that country or of the United States or under the treaties between that country and the United States.

**History:** En. Sec. 5, Ch. 35, Ex. L. 1933; amd. Sec. 2, Ch. 95, L. 1935; re-en. Sec. 349.5, R.C.M. 1935; amd. Sec. 1, Ch. 278, L. 1973; amd. Sec. 124, Ch. 253, L. 1974; amd. Sec. 1, Ch. 460, L. 1977; R.C.M. 1947, 89-105(4).

**Cross-References**

Disclaimer of jurisdiction over Indian lands, Art. I, Mont. Const.

Jurisdiction in federal enclaves, 2-1-201.

Consent to purchase of lands by United States for national forest purposes — jurisdiction, 2-1-210.

**85-1-215. Department duties — records and operations.** The department shall keep full and complete accounts concerning all matters and things relating to the works and annually shall prepare balance sheets and income and profit and loss statements showing the financial condition of each project and file copies thereof with the secretary of state. All books and papers pertaining to all matters provided for in this chapter shall at all reasonable times be open to the inspection of any party interested or any citizen of the state. Except as otherwise provided in this chapter, the department has full charge and control of the construction, operation, and maintenance of the works and the collection of all rates, charges, and revenues of whatsoever character therefrom. The department shall proceed immediately with the construction of the works upon funds being made available therefor and shall prosecute the works to completion as rapidly as possible.

**History:** En. Sec. 14, Ch. 35, Ex. L. 1933; re-en. Sec. 349.15, R.C.M. 1935; amd. Sec. 43, Ch. 177, L. 1965; amd. Sec. 132, Ch. 253, L. 1974; R.C.M. 1947, 89-118(part).

**Cross-References**
Right to know, Art. II, sec. 9, Mont. Const.
Public records, Title 2, ch. 6.

**85-1-216. Limitations on liabilities and obligations.** No liability or obligation shall be incurred under this chapter beyond the extent to which money is provided under this chapter.

**History: En. Sec. 16, Ch. 35, Ex. L. 1933; re-en. Sec. 349.17, R.C.M. 1935; amd. Sec. 79, Ch. 147, L. 1963; amd. Sec. 134, Ch. 253, L. 1974; R.C.M. 1947, 89-120(part).**

**Cross-References**
State debt, Art. VIII, sec. 8, Mont. Const.
Water resources — finance, Title 85, ch. 1, part 3.

**85-1-217. Restoration and repair of damaged property.** All public or private property damaged or destroyed in carrying out the powers granted under this chapter shall be restored or repaired and placed in their original condition, as nearly as practicable, or adequate compensation made therefor out of funds provided by this chapter.

**History: En. Sec. 16, Ch. 35, Ex. L. 1933; re-en. Sec. 349.17, R.C.M. 1935; amd. Sec. 79, Ch. 147, L. 1963; amd. Sec. 134, Ch. 253, L. 1974; R.C.M. 1947, 89-120(part).**

**Cross-References**
Eminent domain, Art. II, sec. 29, Mont. Const., Title 70, ch. 30.

**85-1-218. Employment of county surveyors.** Whenever deemed practical the department may employ county surveyors in the assistance and preparation of surveys and investigations conducted by the department.

**History: En. Sec. 2, Ch. 169, L. 1935; re-en. Sec. 349.64, R.C.M. 1935; amd. Sec. 80, Ch. 147, L. 1963; amd. Sec. 154, Ch. 253, L. 1974; R.C.M. 1947, 89-402(part).**

**Cross-References**
Office of County Surveyor, Title 7, ch. 4, part 28.

**85-1-219. State-owned works — department approval — bids.** (1) For all state-owned works constructed, repaired, altered, improved, maintained, rehabilitated, or reconstructed, the department shall:

(a) review and approve all plans and working drawings prepared by engineers or architects, if any;

(b) approve all bond issues or other financial arrangements and supervise and approve the expenditure of all money;

(c) solicit, accept, and reject bids and award all contracts to the lowest qualified bidder considering conformity with specifications and terms and reasonableness of bid amount;

(d) review and approve all change orders;

(e) accept the works when completed according to approved plans and specifications.

(2) Except as provided in subsection (3), the department must solicit sealed, competitive bids before awarding a contract under subsection (1) and may award a contract only after receipt of at least one bid, if reasonably available.

(3) The department may negotiate a contract, without competitive bidding, with a contractor qualified to do business in Montana if:

(a) the department rejects all bids for the work;

(b) an emergency threatening life or property exists;

(c) the proposed construction costs are less than $25,000; or

(d) an exigency exists.

(4) The provisions of Title 18, chapter 2, parts 2 through 4, apply to contracts awarded under this section. The provisions of Title 18, chapter 2, parts 2 and 3, do not apply to contracts for which the proposed construction costs are less than $25,000.

**History:** **En. Sec. 1, Ch. 498, L. 1985.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Bid security, Title 18, ch. 1, part 2.

### 85-1-220 reserved.

**85-1-221. Contracts with the United States.** The department may enter into contracts and leases with the United States, its instrumentalities or agencies, for the purpose of financing the construction of any works authorized by this chapter and may in those contracts or leases authorize the United States, its instrumentalities, or agencies to supervise and approve the construction, maintenance, and operation of the works or any project or portion thereof, until such times as any money expended, advanced, or loaned by said United States, its instrumentalities, or agencies and agreed to be repaid thereto by the department is fully repaid. It is a purpose and intent of this chapter that the department may accept cooperation from the United States, its instrumentalities, and agencies in the construction, maintenance, and operation and in financing the construction of any works authorized by this chapter, and the department may do all things necessary in order to avail itself of that aid, assistance, and cooperation under federal legislation now or hereafter enacted by congress.

**History:** **En. Sec. 13, Ch. 35, Ex. L. 1933; re-en. Sec. 349.14, R.C.M. 1935; amd. Sec. 131, Ch. 253, L. 1974; R.C.M. 1947, 89-117.**

**Cross-References**

Federal assistance management, Title 17, ch. 3, part 1.

Irrigation districts — relations with United States, 85-7-1906.

Dam Safety Act — exemption of federal structures, 85-15-107.

**85-1-222. Conformity to federal regulations authorized.** For the purpose of obtaining financial aid from the United States of America, the department may adjust the plans and operation of a project, created under this chapter, to conform to the laws and regulations of the federal government and the supervision of any agency constituted under that authority and may exercise those powers whenever conferred.

**History:** **En. Sec. 20, Ch. 35, Ex. L. 1933; amd. Sec. 135, Ch. 253, L. 1974; R.C.M. 1947, 89-124.**

**Cross-References**

Federal revenues and endowments, Title 17, ch. 3.

Irrigation districts — relations with United States, 85-7-1906.

**85-1-223. Negotiations with other states by the department.** The department may negotiate with the duly constituted authorities or agencies of other states and of the United States in the preparation of interstate compacts or agreements governing the use, distribution, and allocation of the water of any stream or streams flowing from Montana into such other states or flowing from such other states into Montana. It shall cooperate with other states and with the United States in making the necessary studies and obtaining the data necessary to the preparation of the compacts. This authority and the duties hereby imposed are limited to the preparation and proposal of the compact and the compact or agreement is not binding upon the state of Montana until approved by the legislature of Montana and the legislatures of the other state or states involved in the compact.

**History: En. Sec. 1, Ch. 27, Ex. L. 1933; re-en. Sec. 1956.1, R.C.M. 1935; amd. Sec. 2, Ch. 280, L. 1965; Sec. 81-2009, R.C.M. 1947; amd. and redes. 89-142 by Sec. 112, Ch. 253, L. 1974; R.C.M. 1947, 89-142.**

**Cross-References**

Reserved Water Rights Compact Commission, 2-15-212.

Yellowstone River Basin — surface and ground water, Title 85, ch. 2, part 6.

Indian and federal water rights, Title 85, ch. 2, part 7.

Yellowstone River Compact, Title 85, ch. 20, part 1.

Fort Peck-Montana Compact, Title 85, ch. 20, part 2.

**85-1-224. Contracts with state agencies and counties.** (1) A state agency or the boards of county commissioners having jurisdiction over any lands which may require the use of any water or water rights owned or controlled by the department or the United States or its agencies may enter into:

(a) such contracts as are necessary with the department, the United States, or agencies of the United States or others for the purchase of water or water rights needed for those lands; and

(b) any contracts as necessary or expedient, similar to contracts executed by individuals or others, to secure for the state, state institutions, counties, and state school and county lands the benefits of the water or water rights, which obligations may be similar to those of persons who become stockholders in corporations or who may agree to purchase and pay for water for irrigation purposes.

(2) These contracts may include agreements that the state and counties shall be subject to the same charges and payments as are other water users within the projects; however, none of those charges, payments, or costs shall constitute a lien against the state's interest in the lands.

(3) The obligations provided for in this section to be incurred upon behalf of the counties and the state shall not be in the nature of general obligations by either said counties or the state of Montana but shall constitute liens only upon such water or water rights purchased for the benefit of such lands.

**History: (1), (2)En. Sec. 2, Ch. 97, L. 1935; re-en. Sec. 349.37, R.C.M. 1935; amd. Sec. 139, Ch. 253, L. 1974; Sec. 89-140, R.C.M. 1947; (3)En. Sec. 3, Ch. 97, L. 1935; re-en. Sec. 349.38, R.C.M. 1935; Sec. 89-141, R.C.M. 1947; R.C.M. 1947, 89-140, 89-141.**

**Cross-References**

County contracts, Title 7, ch. 5, part 23.

Reservation of waters, 85-2-316.

Transfer of appropriation right, 85-2-403.

Irrigation districts — United States contracts — loans, sinking fund, and investment, 85-7-1951.

Irrigation districts — United States contracts — court approval required, 85-7-1957.

Irrigation districts — power to contract with United States cumulative, 85-7-1958.

Conservancy districts — participation in federal programs, 85-9-409.

## Part 3

## Finance

**Part Cross-References**

Bond issues, Title 17, ch. 5.

**85-1-301. Water conservation revenue bonds.** (1) The board is hereby authorized to provide, by resolution, at one time or from time to time, for the issuance of water conservation revenue bonds of the state for the purpose of paying the cost, as hereinabove defined, of any one or more such public works, the principal and interest of which bonds shall be payable solely from the special fund herein provided for such payment. Such bonds shall mature at such time or times, not more than 40 years from their date or dates, as may be fixed by such resolution but may be made redeemable before maturity at the option of the state, to be exercised by the board, at such price or prices and under such terms and conditions as may be fixed by the board prior to the issuance of the bonds. The board shall determine the rate of interest such bonds shall bear; the time or times of payment of such interest; the form of the bonds and the interest coupons to be attached thereto; and the manner of executing the bonds and coupons and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or without the state.

(2) Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone or as to both principal and interest. The bonds authorized under the provisions of this section and 85-1-303 may be issued and sold from time to time and in such amounts as may be determined by the board, and the board may sell the bonds in such manner and for such price as it may determine to be for the best interests of the state. The proceeds of such bonds shall be used solely for the payment of the cost of the works and shall be checked out in such manner and under such restrictions, if any, as the board may provide.

(3) Each resolution providing for the issuance of bonds shall set forth the project or projects for which the bonds are to be issued, and the bonds authorized by each such resolution shall constitute a separate series. The bonds of each series shall be identified by a series letter or letters and may be sold and delivered at one time or from time to time.

**History: En. Sec. 6, Ch. 35, Ex. L. 1933; re-en. Sec. 349.6, R.C.M. 1935; amd. Sec. 11-156, Ch. 264, L. 1963; R.C.M. 1947, 89-109(1), (3), (5); amd. Sec. 45, Ch. 505, L. 1981.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Conservancy districts — finance, Title 85, ch. 9, part 6.

**85-1-302. Limitations on state liability.** All bonds issued under 85-1-301 and 85-1-303 shall contain a statement on their face that the state shall not be obligated to pay the same or the interest thereon except from the special fund hereinafter set forth. In case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before the delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. All such bonds shall be fully negotiable, as provided by the Uniform Commercial Code—Investment Securities. Such bonds shall not constitute or be a debt, liability, or obligation of the state and shall be secured only by the revenues of such works and the funds received from the sale or disposal of water and from the operation, lease, sale, or other disposition of the works, property, and facilities to be acquired out of the proceeds of such bonds.

**History: En. Sec. 6, Ch. 35, Ex. L. 1933; re-en. Sec. 349.6, R.C.M. 1935; amd. Sec. 11-156, Ch. 264, L. 1963; R.C.M. 1947, 89-109(2).**

**Cross-References**
State debt, Art. VIII, sec. 8, Mont. Const.
U.C.C. — investment securities, Title 30, ch. 8.
Effect of signature of authenticating trustee, registrar, or transfer agent, 30-8-208.

**85-1-303. Procedure in case of insufficient bond proceeds.** If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the trust indenture hereinafter mentioned or in the resolution authorizing the bonds, shall be deemed to be of the same issue and shall be entitled to payment from the same fund, without preference or priority of the bonds first issued for the same works. If the proceeds of bonds issued for any such works shall exceed the cost thereof, the surplus shall be paid into the fund hereinafter provided for the payment of principal and interest of such bonds. Prior to the preparation of definitive bonds, the board may, under like restrictions, issue temporary bonds with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. Such bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, and things which are specified and required by this chapter or by the constitution of the state.

**History: En. Sec. 6, Ch. 35, Ex. L. 1933; re-en. Sec. 349.6, R.C.M. 1935; amd. Sec. 11-156, Ch. 264, L. 1963; R.C.M. 1947, 89-109(4).**

**Cross-References**
State debt, Art. VIII, sec. 8, Mont. Const.
Investment of public funds, Art. VIII, sec. 13, Mont. Const.
Refunding bonds, Title 17, ch. 5, part 3.

**85-1-304. Lien upon bond proceeds.** All moneys received from any bonds issued pursuant to 85-1-301 and 85-1-303 shall be applied solely to the payment of the cost of the works or to the appurtenant debt service fund and to the "administration fund", as hereinafter provided, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustee hereinafter provided for in respect of such bonds.

**History: En. Sec. 7, Ch. 35, Ex. L. 1933; R.C.M. 1947, 89-110; amd. Sec. 30, Ch. 298, L. 1983.**

**Cross-References**
Fund structure, 17-2-102.
Liens, Title 71, ch. 3.

**85-1-305. Use of trust indenture to secure bonds.** In the discretion of the board, a series of the bonds may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside of the state. Each trust indenture or an executed counterpart thereof shall be filed in the office of the secretary of state of Montana. The filing of a trust indenture or an executed counterpart thereof in the office of the county clerk of the county in which the property covered by the trust indenture is located is constructive notice of its contents to all persons from the time of the filing, and the recording of the trust indenture or its contents is not necessary.

**History: En. Sec. 8, Ch. 35, Ex. L. 1933; amd. Sec. 3, Ch. 95, L. 1935; re-en. Sec. 349.8, R.C.M. 1935; amd. Sec. 126, Ch. 253, L. 1974; R.C.M. 1947, 89-111(1).**

**Cross-References**

U.C.C. — secured transactions, Title 30, ch. 9.

Banks and trust companies, Title 32, ch. 1.

Trust indentures — applicable laws, 71-1-112.

**85-1-306. Provisions for protecting bondholders.** Either the resolution providing for the issuance of bonds or the trust indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable, proper, and not in violation of law, including covenants setting forth the duties of the state, the board, and the department in relation to the acquisition, construction, improvement, maintenance, operation, repair, and insurance of the works and the custody, safeguarding, and application of all moneys. It may provide that the works shall be acquired, constructed, or partly acquired and partly constructed and paid for under the supervision and approval of consulting engineers employed or designated by the department and satisfactory to the original purchasers of the bonds issued therefor, their successors, assigns, or nominees, who may be given the right to require that security given by contractors and by any depositary of the proceeds of the bonds or receipts and revenues of the works or other moneys pertaining thereto shall be satisfactory to the purchasers, successors, assigns, or nominees. The resolution or indenture may set forth the rights and remedies of the bondholders and trustee, restricting the individual rights of action of bondholders as is customary in trust indentures, deeds of trusts, and mortgages securing bonds or debentures of corporations. No enumeration of particular powers hereby granted shall be construed to impair any general grant of power herein contained. All expenses incurred in carrying out the trust indenture may be treated as a part of the cost of maintenance, operation, and repairs of the works affected by the indenture.

**History: En. Sec. 8, Ch. 35, Ex. L. 1933; amd. Sec. 3, Ch. 95, L. 1935; re-en. Sec. 349.8, R.C.M. 1935; amd. Sec. 126, Ch. 253, L. 1974; R.C.M. 1947, 89-111(2).**

**Cross-References**

Bonds — validation, 17-5-203.

Public contracts — bid security, Title 18, ch. 1, part 2.

**85-1-307. Provisions to secure payment of bonds.** In connection with the issuance of the bonds for the purpose of paying in whole (or as supplemented by a grant from the United States or any instrumentality or agency thereof) the cost of the works or project or in order to secure the payment of the bonds, the board may:

(1) pledge all or any part of the income, profit, and revenue of the works or project and all moneys received from the sale or disposal of water, use of water, water storage, or other service and from the operation, lease, sale, or other disposition of all or any part of the works or project and covenant to pay the income, profit, and revenue into the appropriate water fund and debt service fund;

(2) covenant against pledging all or any part of the income, profit, and revenue of the works or project and all moneys received from the sale or disposal of water, use of water, water storage, or other service and from the operation, lease, sale, or other disposition of all or any part of the works or project;

(3) covenant against mortgaging all or any part of the works or project or against permitting or suffering any lien thereon;

(4) covenant to fix and establish such prices, rates, and charges for water and other services made available in connection with the works or project so as to provide at all times funds which will be sufficient to:

(a) pay all costs of operation and maintenance of the works or project, together with necessary repairs thereto;

(b) meet and pay the principal and interest of all the bonds as they severally become due and payable; and

(c) create such reserves for the principal and interest of all the bonds and for the meeting of contingencies in the operation and maintenance of the works or project as the board determines;

(5) make such further covenants as to such prices, rates, and charges as the board determines;

(6) create special funds, in addition to those required by this chapter, for moneys reserved for principal and interest on bonds or for the meeting of contingencies in the operation and maintenance of the works or project and determine the manner in which and the depositary or depositaries in which those funds shall be deposited and the manner in which they shall be secured, and it is lawful for any bank or trust company incorporated under the laws of the state to act as that depositary and to furnish such indemnifying bonds or to pledge such securities as required by the board;

(7) provide for the replacement of lost, destroyed, or mutilated bonds;

(8) covenant against extending the time for the payment of the principal or interest on any of the bonds, directly or indirectly, by any means or in any manner;

(9) prescribe and covenant as to the events of default and terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and as to the terms and conditions upon which the declaration and its consequences may be waived;

(10) covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenant, condition, or obligation;

(11) vest in a trustee or trustees the right to enforce any covenant made to secure or to pay the bonds or to foreclose any trust indenture in relation thereto, provide for the powers and duties of the trustee or trustees, limit the liabilities thereof, and provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce the covenant or exercise the right of foreclosure;

(12) make such covenants and do any and all such acts and things as may be necessary or convenient or desirable in order to secure the bonds or, in the absolute discretion of the board, to make the bonds more marketable, notwithstanding that the covenants, acts, or things may not be enumerated or expressly authorized herein;

(13) do all things in the issuance of the bonds and provide for their security not inconsistent with the constitution of Montana.

**History: En. Sec. 8, Ch. 35, Ex. L. 1933; amd. Sec. 3, Ch. 95, L. 1935; re-en. Sec. 349.8, R.C.M. 1935; amd. Sec. 126, Ch. 253, L. 1974; R.C.M. 1947, 89-111(3); amd. Sec. 31, Ch. 298, L. 1983.**

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

County water and sewer districts, Title 7, ch. 13, parts 22 and 23.

Municipal sewage and water systems, Title 7, ch. 13, part 43.

Water supply and regulation, Title 7, ch. 13, part 44.

Fund structure, 17-2-102.

**85-1-308. Provisions for conveyance in trust or mortgage.** In the discretion of the board, any trust indenture executed by it as security for a series of such bonds may contain provisions for conveying in trust or mortgaging the works, the project, or any part of such works or project, including all water rights which are a part thereof, constructed with the proceeds of such bonds or with such proceeds as supplemented by the proceeds of a grant to aid in financing such construction from the United States of America or any instrumentality or agency thereof. The trust indenture may be in such form and with such rights, remedies, and provisions as is customary in trust indentures, deeds of trust, and mortgages securing bonds and/or debentures of corporations. Any purchaser at any sale of any works or project pursuant to a judgment or decree in an action to foreclose a trust indenture conveying in trust or mortgaging any works or project shall obtain title to such works or project free from any trust or other obligation of the board, the state of Montana, or the public thereof as to its operation, maintenance, use, or disposition except the obligation to use all water impounded in such works or project for sale, rental, distribution, or other beneficial use.

**History:** **En. Sec. 4, Ch. 95, L. 1935; re-en. Sec. 349.9, R.C.M. 1935; R.C.M. 1947, 89-112.**

**Cross-References**

Federal assistance management, Title 17, ch. 3, part 1.

Mortgages, Title 71, ch. 1.

Proceedings in foreclosure suits, 71-1-222.

**85-1-309. Actions by trustee and bondholders.** (1) Any holder of any bonds issued under 85-1-301 or 85-1-303 or any of the coupons attached thereto and the trustee, if any, except to the extent the rights herein given may be restricted by resolution passed before the issuance of the bonds or by the trust indenture, may:

(a) either at law or in equity, by suit, action, mandamus, or other proceeding, including proceedings for the appointment of a receiver, protect and enforce any and all rights granted hereunder or under the resolution or trust indenture; and

(b) enforce and compel performance of all duties required by this chapter or by the resolution or trust indenture to be performed by the board or the department.

(2) While any bonds issued by the board remain outstanding, the powers, duties, or existence of the board or any official or agency of the state shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of the bonds.

**History:** **En. Sec. 15, Ch. 35, Ex. L. 1933; re-en. Sec. 349.16, R.C.M. 1935; amd. Sec. 133, Ch. 253, L. 1974; R.C.M. 1947, 89-119.**

**Cross-References**

Official bonds — conditions, form, and signatures, 2-9-504.

Receivers, Title 27, ch. 20.

Mandamus, Title 27, ch. 26.

**85-1-310. Refunding revenue bonds.** The board may issue refunding revenue bonds under the provisions of Title 7, chapter 7, part 46. For this purpose, in Title 7, chapter 7, part 46, references to "governing body" means the "board" and references to "municipality" means the "board".

**History:** **En Sec. 11, Ch. 212, L. 1979.**

**Cross-References**

Refunding bonds, Title 17, ch. 5, part 3.

**85-1-311 through 85-1-320 reserved.**

**85-1-321. Funds in general.** The board shall create a fund to be known as the "administration fund" and shall also create three separate funds in respect of the bonds of each series, one fund to be known as the "construction fund, series ....", another fund to be known as the "water fund, series ....", and another fund to be known as the "debt service fund, series ....", each fund to be identified by the same series letter or letters as the bonds of the series. The moneys in each fund shall be deposited in such depository or depositories and secured in such manner as determined by the board. It is lawful for any bank or trust company incorporated under the laws of this state to act as the depository and to furnish such indemnifying bonds or to pledge such securities as may be required by the board. A separate account shall be kept in each construction fund and in each water fund for each project. All expenditures not properly chargeable to the construction fund account or to the water fund account of any one project shall be charged by the department in such proportions as it shall determine to the construction fund accounts or to the water fund accounts, as the case may be, of the projects in respect of which the expenditures were incurred.

**History: En. Sec. 9, Ch. 35, Ex. L. 1933; re-en. Sec. 349.10, R.C.M. 1935; amd. Sec. 127, Ch. 253, L. 1974; R.C.M. 1947, 89-113; amd. Sec. 32, Ch. 298, L. 1983.**

**Cross-References**

Treasury funds and accounts, Title 17, ch. 2.

Banks and trust companies, Title 32, ch. 1.

**85-1-322. Construction capital projects funds.** The proceeds of the bonds of each series issued under 85-1-301 and 85-1-303 shall be placed to the credit of the appropriate construction capital projects fund, which fund shall at all times be kept segregated and set apart from all other funds. There shall also be credited to the appropriate construction capital projects fund all accrued interest upon the bonds and the interest received upon the deposits of moneys in the fund and moneys received by way of grant from the United States or from any other source for the construction of the works. The moneys in each construction capital projects fund shall be paid out or disbursed in such manner as may be determined by the department, subject to this chapter, to pay the cost of the works. Any surplus which may remain in any construction capital projects fund after providing for the payment of the cost of the works shall be added to and become a part of the appropriate debt service fund hereinafter provided for.

**History: En. Sec. 10, Ch. 35, Ex. L. 1933; re-en. Sec. 349.11, R.C.M. 1935; amd. Sec. 128, Ch. 253, L. 1974; R.C.M. 1947, 89-114; amd. Sec. 33, Ch. 298, L. 1983.**

**Cross-References**

Fund structure, 17-2-102.

Federal assistance management, Title 17, ch. 3, part 1.

Bond issues, Title 17, ch. 5.

**85-1-323. Debt service funds.** (1) The board shall provide, in the proceedings authorizing the issuance of each series of bonds or in the trust indenture securing the same, for the paying into the appropriate debt service fund at stated intervals all moneys then remaining in the water fund after paying all costs of operation, maintenance, and repairs of the works. All moneys in each debt service fund shall be pledged for the payment of and used only for the purpose of paying:

(a) the interest upon the bonds as such interest shall fall due;

(b) the necessary fiscal agency charges for paying bonds and interest;

(c) the principal of the bonds as they fall due; and

(d) any premiums upon bonds retired by call or purchase as herein provided.

(2) Prior to the issuance of the bonds of each series, the board may provide by resolution or by such trust indenture for using the debt service fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof but not exceeding the price, if any, at which the same shall at the next interest date be payable or redeemable, and all bonds redeemed or purchased shall forthwith be canceled and no bonds shall be issued in place thereof. The moneys in each debt service fund, less such reserve as may be provided for in the resolution authorizing the bonds or in the trust indenture for the payment of interest and/or principal, if not used within a reasonable time for the purchase of bonds for cancellation as provided above, shall be applied to the redemption of bonds then subject to redemption at the redemption price then applicable.

**History: En. Sec. 12, Ch. 35, Ex. L. 1933; re-en. Sec. 349.13, R.C.M. 1935; R.C.M. 1947, 89-116; amd. Sec. 34, Ch. 298, L. 1983.**

**Cross-References**

Fund structure, 17-2-102.

Refunding bonds, Title 17, ch. 5, part 3.

### 85-1-324 through 85-1-330 reserved.

**85-1-331. Acceptance and use of appropriations and contributions.** The department may receive and accept appropriations and contributions from any source of either money or property or other things of value to be held, used, and applied for the purposes in this chapter.

**History: En. Sec. 16, Ch. 35, Ex. L. 1933; re-en. Sec. 349.17, R.C.M. 1935; amd. Sec. 79, Ch. 147, L. 1963; amd. Sec. 134, Ch. 253, L. 1974; R.C.M. 1947, 89-120(2).**

**Cross-References**

Authorization for governmental and public entities to take property by gift or devise, 7-8-103.

Who may make gift or devise to governmental entities, 7-8-104.

Federal revenues and endowments, Title 17, ch. 3.

**85-1-332. Disposition of moneys collected.** (1) For the purpose of carrying out the provisions of this chapter and such other water resource authority, powers, and duties as are conferred upon the department by law, the following moneys shall be deposited in the water development state special revenue account created by 85-1-604:

(a) all gifts, donations, bequests, and devises made to the state therefor and proceeds of the sale thereof; and the proceeds of the sale or redemption of and the interest earned by the securities purchased or acquired with money received under this subsection;

(b) all reimbursements for money advanced for the payment of the assessments upon state, school-granted, and other public lands for the improvement thereof as provided by law;

(c) all reimbursements for money advanced for the investigation and survey of reclamation, electrification, and rehabilitation systems or projects proposed to be financed in whole or in part by the reclamation of lands and diking, drainage, and diking and drainage dams for conservation of water to be used in reclamation of land or stock reservoirs or for the construction, maintenance, and operation of plants or projects for the manufacture or distribution of electric current;

(d) all reimbursements for costs of surveys and investigations for moneys advanced to counties, cities, or towns or their proportion of the cost thereof or from any other sources;

(e) except as otherwise provided by law, all income or profit and revenue of the works and all money received from the sale or disposal of water, use of water, water storage, or other service and from the operation, lease, sale, or other disposition of the works, property, and facilities acquired under this chapter; and

(f) except as otherwise provided by law, all sums received by the department for the use of electricity in excess of the maintenance and operation of the electrification system or project.

(2) All sums of money donated or contributed by the federal government or any department or agency thereof shall be deposited in a federal special revenue account.

**History: En. Sec. 1, Ch. 169, L. 1935; re-en. Sec. 349.63, R.C.M. 1935; amd. Sec. 241, Ch. 147, L. 1963; amd. Sec. 153, Ch. 253, L. 1974; amd. Sec. 3, Ch. 460, L. 1977; R.C.M. 1947, 89-401; amd. Sec. 46, Ch. 505, L. 1981; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 9, Ch. 512, L. 1985.**

**Cross-References**

Fund structure, 17-2-102.

Retention of agency money, 17-2-202.

Federal revenues and endowments, Title 17, ch. 3.

Deposit of interest and income money by State Board of Land Commissioners, 20-9-342.

Drainage districts — bonds and revenue, Title 85, ch. 8, part 5.

Conservancy districts — disposition and investment of sale proceeds, 85-9-629.

**85-1-333. Repealed.** Sec. 52, Ch. 505, L. 1981.

**History: En. Sec. 2, Ch. 169, L. 1935; re-en. Sec. 349.64, R.C.M. 1935; amd. Sec. 80, Ch. 147, L. 1963; amd. Sec. 154, Ch. 253, L. 1974; R.C.M. 1947, 89-402(part).**

**85-1-334. Repealed.** Sec. 52, Ch. 505, L. 1981.

**History: En. Sec. 1, Ch. 148, L. 1951; amd. Sec. 78, Ch. 147, L. 1963; amd. Sec. 130, Ch. 253, L. 1974; R.C.M. 1947, 89-116.1.**

## Part 4

## Special Projects

**85-1-401. Legislative finding.** (1) The legislature finds that the Daly ditch water project:

(a) would need extensive and costly repairs if operation of the project were to continue;

(b) has been historically operating at a loss since the state has owned and operated the project;

(c) would require increasing subsidization from the general fund for future operation of the project; and

(d) is, therefore, financially unsound.

(2) The legislature finds further that:

(a) the useful life of the Daly ditch water project to the state of Montana is at an end; and

(b) the Daly ditch water project should be disposed of by the state of Montana.

(3) Therefore, the legislature directs the department to dispose of the project as provided in 85-1-403 and to cancel and write off accounts receivable carried on the books of the department. If the department is not able to dispose of the project as provided in 85-1-403, then the project shall be abandoned as provided in 85-1-404.

**History: En. Sec. 1, Ch. 534, L. 1979.**

**Cross-References**

Dissolution of irrigation districts, Title 85, ch. 7, part 10.

**85-1-402. Definitions.** Unless the context requires otherwise, in 85-1-401 through 85-1-409 the following definitions apply:

(1) "Daly ditch water project" or "project" means the irrigation water project located in Ravalli County, Montana, and owned and operated by the state of Montana.

(2) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(3) "Person" means any individual, group, firm, partnership, corporation, cooperative, association, government subdivision, government agency, local government, or other organization or entity.

**History: En. Sec. 2, Ch. 534, L. 1979.**

**85-1-403. Disposition of project.** (1) Prior to July 1, 1982, the department may dispose of the Daly ditch water project by transfer, sale, or other legal conveyance to a person legally qualified to enter into contracts and operate and maintain the project. Preference shall be given to an organization of project water users formed to operate the project.

(2) Upon conveyance of the project, the department shall transfer all water rights, real property, personal property, equipment, fixtures, headgates, structures, canals, dikes, lateral ditches, dams, and reservoirs related to the project.

(3) If the department has entered into an agreement to transfer the project prior to July 1, 1982, but the actual transfer has not been effectuated prior to July 1, 1982, the department shall not abandon the project as provided in 85-1-404 until December 31, 1982.

**History: En. Sec. 3, Ch. 534, L. 1979.**

**Cross-References**

Parties to contracts, Title 28, ch. 2, part 2.

Power to sell, lease, or exchange certain state lands, 77-1-204.

Water users' associations, Title 85, ch. 6, part 1.

**85-1-404. Abandonment of project.** (1) If the project is not disposed of as provided in 85-1-403, the department shall abandon the project no later than December 31, 1982.

(2) The department shall publish notification of intent to abandon the project once a week for 2 consecutive weeks in a newspaper of general circulation in the Hamilton, Montana, area.

(3) A person to whom project properties revert, if any, may notify the department that he desires to take possession of the abandoned property in its present condition within 30 days after the last date of publication.

(4) The department shall not publish notification of intent to abandon until it has attempted to dispose of the project by transfer, sale, or other legal conveyance.

**History:** **En. Sec. 4, Ch. 534, L. 1979.**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-1-405. Operation and maintenance.** The department shall operate and maintain the project until July 1, 1982, or until the project is disposed of or abandoned as provided in 85-1-401 through 85-1-409.

**History:** **En. Sec. 5, Ch. 534, L. 1979.**

**Cross-References**

Operation of irrigation districts, Title 85, ch. 7, part 19.

**85-1-406. Entry on land.** Any employee or agent of the department authorized by the director may enter upon any land to carry out the purposes of 85-1-401 through 85-1-409, including but not limited to entry to make inspections the department considers necessary of the project, entry to salvage or remove project property, and entry to make physical alterations to project property. The department shall give reasonable notice to the landowner of its intention to enter upon the land. The department is responsible for actual damages done to any property.

**History:** **En. Sec. 6, Ch. 534, L. 1979.**

**Cross-References**

General duty of care, 28-1-201.

Real property — incident or appurtenance defined, 70-15-105.

Entry on land, 85-2-115.

**85-1-407. Writeoff accounts receivable.** Upon abandonment or disposition of the project, the department shall cancel and write off accounts receivable carried on the books of the department. The department shall establish procedures for canceling and writing off accounts receivable, and the procedures shall include the reporting of the canceling and writing off of the accounts receivable to the next session of the legislature.

**History:** **En. Sec. 7, Ch. 534, L. 1979.**

**Cross-References**

Collection on debt — writeoff procedures, 17-4-107.

**85-1-408. Other laws and rules superseded.** Sections 85-1-401 through 85-1-409 supersede other laws and rules. If any provision of 85-1-401 through 85-1-409 is in conflict with any other law of this state or any rule adopted thereunder, 85-1-401 through 85-1-409 govern and control and the other law or rule is superseded for the purpose of 85-1-401 through 85-1-409.

**History:** **En. Sec. 8, Ch. 534, L. 1979.**

**85-1-409. Advisory council.** (1) The department shall appoint an advisory council comprised of three legislators from Ravalli County and three representatives of the Daly ditch water users. In addition, the department may appoint one additional legislator to serve on the advisory council.

(2) The advisory council shall make recommendations concerning the disposition of the project pursuant to the provisions of 85-1-401 through 85-1-409, repair of the project, and all questions of operation and maintenance.

(3) The advisory council shall be created as provided in 2-15-122.

(4) The advisory council terminates no later than December 31, 1982.

**History: En. Sec. 9, Ch. 534, L. 1979.**

**Cross-References**

Dissolution of irrigation districts, Title 85, ch. 7, part 10.

## Part 5

## Power Generation at Projects

**Part Cross-References**

Hydroelectric resources, Title 77, ch. 4, part 2.

**85-1-501. Survey of power generation capacity.** The department shall study the economic and environmental feasibility of constructing and operating a small-scale hydroelectric power generating facility on each of the water projects under its control and shall periodically update such studies as the cost of the electrical energy increases. In determining whether small-scale hydroelectric generation may be economically feasible on a particular project, the department shall consider:

(1) the estimated cost of construction of a facility;

(2) the estimated cost of maintaining, repairing, and operating the facility;

(3) the estimated cost of tying into an existing power distribution channel;

(4) the ability of public utilities or rural electric cooperatives to lease and operate such a facility;

(5) the debt burden to be serviced;

(6) the revenue expected to be derived; and

(7) the likelihood of a reasonable rate of return on the investment.

**History: En. Sec. 1, Ch. 503, L. 1981.**

**85-1-502. Notice of availability of lease sites.** (1) If after completion of the feasibility study of a particular project the board determines that hydroelectric power generation at the project would be feasible and in the best interest of the people of the state of Montana, it shall publish notice and make the site available for lease for the purpose of small-scale hydroelectric power generation, pursuant to 85-1-502 through 85-1-508, unless such action would result in the forfeiture of any necessary federal license, permit, or exemption, in which case the department may proceed under 85-1-509.

(2) In issuing a notice of availability of a site for lease under this section, the board shall include in the notice any reasonable conditions it may find necessary in order to protect the interests of the state.

**History: En. Sec. 2, Ch. 503, L. 1981; amd. Sec. 1, Ch. 96, L. 1983.**

**Cross-References**

Printing and legal notices, Title 18, ch. 7.

**85-1-503. Receipt of applications.** (1) Applications for lease may be submitted by any person qualified to do business in Montana.

(2) The board shall consider only applications received within 180 days after the final publication of the notice.

(3) Applications must include a statement of the capability of the applicant to achieve the annual production output estimated by the department, the estimated time to make the project operational, the bid amount of the royalty, and any other information that the board requests.

**History:** **En. Sec. 3, Ch. 503, L. 1981; amd. Sec. 1, Ch. 293, L. 1985.**

**85-1-504. Determinations by the board.** (1) Within a reasonable time following the conclusion of the lease application period, the board shall hold a hearing to examine all applications that have been received for the lease of the project.

(2) Within 180 days following the conclusion of the lease application period, the board must reject any or all applications or must award a lease to the party whose offer, considered in its totality, is the most advantageous to the state.

(3) The decision must include a determination that the potential developer will provide an adequate royalty payment, is capable of carrying out the proposed development, can provide efficient and reliable service, and intends in good faith without unnecessary delay to proceed with the development.

(4) If all lease applications are rejected, the department may negotiate with all applicants on an equal basis in an effort to arrive at an acceptable application.

**History:** **En. Sec. 4, Ch. 503, L. 1981.**

**85-1-505. Lease conditions.** (1) The lessee must pay a royalty to the state as required in the lease.

(2) The board may authorize provisions in the lease that offer economic incentives for rapid development of the project or impose economic penalties for delays in development, which may include cancellation of the lease.

**History:** **En. Sec. 5, Ch. 503, L. 1981.**

**85-1-506. Compliance with federal law.** The department may hold a license, permit, or exemption under federal law on a project.

**History:** **En. Sec. 6, Ch. 503, L. 1981; amd. Sec. 2, Ch. 293, L. 1985.**

**85-1-507. Duration of lease.** The term of the lease may not exceed the term of the license, permit, or exemption held by the department under 85-1-506 and may in no event exceed 55 years.

**History:** **En. Sec. 7, Ch. 503, L. 1981.**

**85-1-508. Duties of the department.** The department has primary responsibility for supervision of any such lease. Any disputes that arise between the department and the lessee may be appealed to the board, upon written petition of either party.

**History:** **En. Sec. 8, Ch. 503, L. 1981.**

**85-1-509. Power generation by department authorized.** (1) If no lease applications are received under 85-1-503 or if the board rejects all lease applications under 85-1-504, the department may proceed to obtain any necessary license, permit, or exemption under federal law and commence construction and operation of a small-scale hydroelectric generation facility pursuant to the provisions of this chapter. Construction may not commence until such time as the department has clear and convincing evidence that construction is economically feasible and is the most practical means by which the facility could be developed.

(2) Financing of construction and operation of the facility shall be accomplished in a manner determined by the board to be most feasible.

(3) The department may not sell power generated at a facility except to a public utility, a rural electric cooperative, or a federal power-marketing agency organized in Montana and selling power to Montana customers.

**History: En. Sec. 9, Ch. 503, L. 1981.**

**Cross-References**

Rural cooperative utilities, Title 35, ch. 18.

Public Utilities and Carriers, Title 69.

**85-1-510. Sale of power.** If the operator of a small-scale hydroelectric generation facility under this chapter and a public utility or an electric cooperative are unable to mutually agree to a contract for the sale of electricity or a price for the electricity purchased by the utility or electric cooperative, the public service commission shall require the utility or electric cooperative to purchase the power under rates and terms established as provided in 85-1-511 through 85-1-513.

**History: En. Sec. 10, Ch. 503, L. 1981.**

**Cross-References**

Rural cooperative utilities, Title 35, ch. 18.

Public Utilities and Carriers, Title 69.

**85-1-511. Determination by the public service commission.** A determination of the rates and terms under which the power must be purchased shall be made by the public service commission upon petition of the facility operator or a public utility or electric cooperative or during a rate proceeding involving the review of rates paid for electricity purchased from the facility. The commission shall render a decision within 120 days from receipt of the petition or before the completion of the rate review proceeding. The rate and terms of the determination must be according to the standards specified in 85-1-512.

**History: En. Sec. 11, Ch. 503, L. 1981.**

**Cross-References**

Public Service Commission, Title 69, ch. 1, part 1.

**85-1-512. Standards for the determination.** (1) The standards for the determination provided for in 85-1-511 by the public service commission shall include the following:

(a) Long-term contracts for the purchase of electricity by the utility or electric cooperative from a small-scale hydroelectric facility under this chapter shall be encouraged in order to enhance the economic feasibility of such facilities.

(b) The rates paid by a utility or electric cooperative to a small-scale hydroelectric facility may not exceed, over the term of the purchase contract, the incremental cost to the utility or electric cooperative of the electricity that, but for the purchase from the small-scale hydroelectric facility, the utility or electric cooperative would generate or purchase from another source.

(c) The rates to be paid by a utility or an electric cooperative for power purchased from a small-scale hydroelectric facility shall be established with consideration of the availability and reliability of the power produced.

(2) The commission may set these rates by use of any of the following methods:

(a) the levelized avoided cost over the term of the contract;

(b) the cost of production for the small-scale hydroelectric facility plus a just and reasonable return; or

(c) any other method that will promote the development of small-scale hydroelectric facilities.

**History: En. Sec. 12, Ch. 503, L. 1981.**

**Cross-References**

Public Service Commission, Title 69, ch. 1, part 1.

**85-1-513. Purchase of power by electric cooperative not agreeing to be bound by public service commission determination.** If any electric cooperative wishing to purchase power from a small-scale hydroelectric facility under this chapter refuses to submit to the ratemaking authority of the public service commission established in 85-1-511, then the rate for such cooperative may be determined by the federal energy regulatory commission upon proper petition. The facility shall sell power in accordance with such determination, so long as the rates and terms so established will allow the facility a reasonable return.

**History: En. Sec. 13, Ch. 503, L. 1981.**

**Cross-References**

Rural cooperative utilities, Title 35, ch. 18.

**85-1-514. Power generation negotiation process.** (1) A person with federal authorization or, if authorization is not required, a person planning to construct a small-scale hydroelectric generation facility at a state-owned project shall submit an application to the department for hydroelectric development at the state-owned project site.

(2) Upon receipt of a written application under subsection (1), the department shall make an investigation and prepare a report on the value of the power site, the plans of development submitted by the applicant, and any other matters relating to the proposed development that the department considers necessary for the proper development of hydroelectric generation at the state-owned project.

(3) Upon completion of the report, the department may negotiate with the applicant for the acquisition of the necessary interest in the state-owned project to effectively allow the applicant to operate a hydroelectric facility. The terms, conditions, and compensation agreed to must include but not be limited to the full market value of the interest disposed of by the department. Full market value must be determined by the department in the report completed under subsection (2).

(4) An applicant under subsection (1) shall pay to the department all costs incurred by the department in carrying out its duties under this section. The

department and the applicant shall contract for the provision of services and payment of fees required by this section prior to accepting an application under subsection (2).

(5) Nothing in this section requires the department to construct, rehabilitate, reconstruct, operate, or otherwise maintain the state-owned project to accommodate the hydroelectric facility except as negotiated under subsection (3).

(6) Department actions under this section are subject to prior approval of the board as provided in 85-1-202.

**History: En. Sec. 3, Ch. 293, L. 1985.**

**Cross-References**

Disposal of property by Department, 85-1-210.

## Part 6

## Water Development Program

**Part Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

Protection and improvement of the environment — remedies to prevent unreasonable depletion, Art. IX, sec. 1, Mont. Const.

Coal severance tax trust fund, Art. IX, sec. 5, Mont. Const.

Fund structure, 17-2-102.

Bond issues, Title 17, ch. 5.

**85-1-601. Purpose and policies.** (1) The legislature finds and declares that in order that the people of Montana may enjoy the full economic and recreational benefits of the state's water resources, the state must establish this long-term water development program providing financial and administrative assistance to private, local, and state entities for water resource development projects and activities.

(2) The purpose of the water development program is to further the state's policies, set forth in 85-1-101, regarding the conservation, development, and beneficial use of water resources.

(3) The legislature recognizes that water is one of the most valuable and important renewable resources in Montana; therefore, it is appropriate that a portion of the taxes on the removal of nonrenewable resources be dedicated to the conservation, development, and beneficial use of water resources.

(4) The development of water resources is of a high priority because a large portion of Montana's present and future economy is based either directly or indirectly on the wise use of water.

(5) This water development program is an integral part of the implementation and development of the comprehensive, coordinated, multiple-use water resources plan known as the "state water plan".

**History: En. Sec. 1, Ch. 505, L. 1981.**

**Cross-References**

Protection and improvement of the environment — remedies to prevent unreasonable depletion, Art. IX, sec. 1, Mont. Const.

**85-1-602. Objectives.** The department shall administer a water development program to accomplish such objectives as rehabilitation of state-owned water projects and works; promotion of private, local government, and state water development; development of water-based recreation and the protection of water resources for the benefit of agriculture, flood control, and other uses; development of offstream and tributary storage; encouragement of projects or programs that improve water use efficiency, including development of new, efficient water systems and rehabilitation of older, less efficient water systems; and development of state-tribal, state-federal, and state-tribal-federal water projects. The storage of water for existing and future beneficial uses shall be given the highest priority unless a water development project or activity designed to accomplish another objective is demonstrated to be more beneficial to a greater number of people. The water development program is the key implementation portion of the state water plan and shall be administered to accomplish the objectives of the plan.

**History: En. Sec. 2, Ch. 505, L. 1981; amd. Sec. 1, Ch. 116, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near end of first sentence inserted clause relating to improving water use efficiency.

**Cross-References**

State water plan, 85-1-203.

**85-1-603. Water development debt service fund created — coal severance tax allocated — water development loan loss reserve fund created.** (1) (a) There is created a water development debt service fund within the debt service fund type established in 17-2-102.

(b) The state pledges and allocates and directs to be credited to the water development debt service fund, as received:

(i) 1 ¼% of all money from time to time received from the coal severance tax collected under Title 15, chapter 35, and remaining after allocation of such tax under 15-35-108(1) and (2);

(ii) any principal and accrued interest under 85-1-613(3)(a) received in repayment of a loan made from the proceeds of bonds issued under 85-1-617;

(iii) all interest income earned on proceeds of water development bonds;

(iv) revenue or money otherwise required to be paid into the water development state special revenue account pursuant to 85-1-604, as determined by the board of examiners in connection with the issuance of bonds pursuant to 85-1-617; and

(v) money received from the water development loan loss reserve fund as the result of a loan loss.

(2) (a) There is created a water development loan loss reserve fund within the debt service fund type established in 17-2-102.

(b) The state pledges and allocates and directs to be credited to the water development loan loss reserve fund all accrued interest under 85-1-613(3)(b) received in repayment of a loan made from the proceeds of bonds issued under 85-1-617.

(c) If the department determines that a loan loss has occurred on a loan made pursuant to this part, funds from the water development loan loss reserve fund must be transferred to the water development debt service fund in an amount equal to the amount that would otherwise be available for debt service under subsection (1)(b) as a result of the loan loss.

**History: En. Sec. 4, Ch. 505, L. 1981; amd. Sec. 35, Ch. 298, L. 1983; amd. Sec. 1, Ch. 6, Sp. L. March 1986; amd. Sec. 2, Ch. 2, L. 1987; amd. Sec. 2, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(b)(ii) inserted "under 85-1-613(3)(a)"; inserted (1)(b)(v) relating to loan loss money received from the water development loan loss reserve fund; and inserted (2) relating to creation of and allocation to a water development loan loss reserve fund. Amendment effective April 11, 1989.

**Cross-References**

State water plan, 85-1-203.

**85-1-604. Water development state special revenue account created — revenues allocated — limitations on appropriations from account.** (1) There is created a water development state special revenue account within the state special revenue fund established in 17-2-102.

(2) Except to the extent that they are required to be credited to the water development debt service fund pursuant to 85-1-603, there shall be paid into the water development state special revenue account:

(a) all revenues of the works and other money as provided in 85-1-332;

(b) 30% of the interest income of the resource indemnity trust fund as provided in and subject to the conditions of 15-38-202;

(c) the excess of the coal severance tax proceeds allocated by 85-1-603 to the water development debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619; and

(d) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans, including arrangements for obtaining security interests.

(3) Appropriations may be made from the water development state special revenue account for the following purposes and subject to the following conditions:

(a) An amount less than or equal to that paid into the account under 85-1-332 and only that amount may be appropriated for the operation and maintenance of state-owned projects and works. If the amount of money available for appropriation under this subsection (3)(a) is greater than that necessary for operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(b).

(b) An amount less than or equal to that paid into the account from the resource indemnity trust account plus any excess from subsection (3)(a) and only that amount may be appropriated from the account for:

(i) the rehabilitation of state-owned projects and works, including the rehabilitation of spillways of state-owned dams;

(ii) the formulation of downstream emergency warning and evacuation plans for state-owned dams;

(iii) the development of the hydropower potential of state-owned dams;

(iv) assistance in the implementation of the water reservations established under 85-2-316 of conservation districts;

(v) the promotion of the development of offstream and tributary storage;

(vi) the promotion of joint state-tribal, state-federal, and state-tribal-federal water development;

(vii) projects or programs that improve water use efficiency, including development of new, efficient water systems and rehabilitation of older, less efficient water systems;

(viii) administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, office space, and other necessities incurred in the administration of the water development program except the administration of loans and grants; and

(ix) any other expenditures that meet the policies and objectives of the state water development program.

(c) An amount less than or equal to that paid into the account from the sources provided for in (c) and (d) of subsection (2) and only that amount may be appropriated from the account for loans and grants for water development projects and activities; for purchase of liens and operation of property as provided in 85-1-615; for administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, and office space; for the servicing of loans, including arrangements for obtaining security interests; and for other necessities incurred in administering the loans and grants.

**History: En. Sec. 5, Ch. 505, L. 1981; amd. Sec. 2, Ch. 149, L. 1983; amd. Sec. 36, Ch. 298, L. 1983; amd. Sec. 10, Ch. 512, L. 1985; amd. Sec. 2, Ch. 6, Sp. L. March 1986; amd. Sec. 2, Ch. 116, L. 1989; amd. Sec. 3, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 116 inserted (3)(b)(vii) relating to projects that improve water use efficiency; and made minor changes in form.

Chapter 491 in (3)(c) inserted "for purchase of liens and operation of property as provided in 85-1-615". Amendment effective April 11, 1989.

**Cross-References**

Contracts with the United States, 85-1-221.

Dam Safety Act, Title 85, ch. 15.

**85-1-605. Grants, loans, and bonds for state and local government assistance.** (1) The department may recommend to the legislature that grants and loans be made from coal severance tax proceeds deposited in the water development state special revenue account, that loans be made from water development bond proceeds deposited in the water development account, and that coal severance tax bonds be authorized pursuant to Title 17, chapter 5, part 7, to provide financial assistance to a department, agency, board, commission, or other division of state government or to a city, county, or other political subdivision or local government body of the state. The legislature may approve by appropriation or other appropriate means those grants and loans it finds consistent with the policies and purposes of the program.

(2) In addition to implementing those projects approved by the legislature, the department may request up to 10% of the funds available for grants from the water development special revenue account in any biennium to be used for emergencies. These emergency projects must be approved by the department and be defined as those projects which, if delayed until legislative approval can be obtained, will cause substantial damages or legal liability to the project sponsor. In allocating such funds, the department shall inform the legislative finance committee of the legislature.

(3) The grants and loans provided for by this section may be made for the purchase, lease, development, or construction of water development projects and activities for the conservation, management, use, development, or protection of the water and related agricultural, land, fish, wildlife, and water recreation resources in the state; for the purpose of feasibility and design studies for such projects; for development of plans for and the rehabilitation, expansion, and modification of water development projects; for other water development projects and activities that will enhance the water resources of the state; and for similar purposes approved by the legislature.

**History: En. Sec. 6, Ch. 505, L. 1981; amd. Sec. 3, Ch. 149, L. 1983; amd. Sec. 37, Ch. 298, L. 1983; amd. Sec. 11, Ch. 512, L. 1985.**

**Cross-References**

Legislative Finance Committee, Title 5, ch. 12, part 2.

Declaration of emergency, 10-3-302.

**85-1-606. Grants and loans to private persons.** (1) To encourage the construction and development of water development projects and activities, the department may make grants and loans to private persons from funds appropriated from the water development state special revenue account and may make loans to private persons from the water development account.

(2) The department shall publicize the statutes and rules governing grants and loans to private persons for water development projects and activities, set and publicize application deadlines, and accept applications for grants and loans.

(3) The department shall review, evaluate, and select water development projects and activities for which grants or loans may be awarded.

**History: En. Sec. 7, Ch. 505, L. 1981; amd. Sec. 38, Ch. 298, L. 1983.**

**85-1-607. Division of funds between water development projects and activities.** (1) The department shall recommend, to the extent possible, that water development projects and water development activities be funded equally when making recommendations to the legislature on loans and grants for state and local water development under 85-1-605.

(2) The department shall, to the extent possible, in approving grants and loans to private persons fund water development projects and water development activities equally.

**History: En. Sec. 8, Ch. 505, L. 1981.**

**85-1-608. Applications for grants and loans to private persons.** (1) A private person may apply for a grant or loan to finance a water development project or activity to be constructed, developed, and operated in Montana.

(2) An application for a loan or grant must be in the form prescribed by the board and contain or be accompanied by any information necessary to adequately describe the proposed project or activity and necessary for evaluation of the proposed project or activity under the criteria set out in 85-1-609 and 85-1-610.

**History: En. Sec. 9, Ch. 505, L. 1981.**

**85-1-609. Eligibility for a loan or grant to a private person.** The department may not award a grant or loan to a private person unless the department finds, based on the application and the department's investigation and evaluation of the proposal, that:

(1) the proposed water development project or activity:

(a) will promote, enhance, or advance the purpose, policies, and objectives of the water development program;

(b) will be constructed, developed, and operated within the state of Montana;

(c) will be economically feasible. (A project or activity is economically feasible if the project benefits exceed the project costs. The department shall consider only tangible benefits and costs in calculating economic feasibility.)

(d) will be an efficient use of natural resources including water, energy, land, and air. (An efficient use is one that minimizes waste.)

(e) will provide multipurpose facilities to the extent practicable;

(f) will comply with statutory and regulatory standards protecting the quality of resources such as air, water, land, fish, wildlife, and recreational opportunities;

(g) will provide associated public benefits in addition to any private benefits the project or activity may provide; and

(h) is needed to accomplish the purpose for which the water development project or activity is proposed;

(2) the applicant has adequate financial resources to construct, operate, and maintain the water development project or activity. The department shall consider financial resources from any source for which the applicant has qualified, including a water development grant or loan.

(3) the applicant holds or can acquire all necessary lands, other than public lands, and interests therein and water rights necessary for the construction, operation, and maintenance of the proposed water development project or activity;

(4) if the application is for a loan, the applicant is credit-worthy and able and willing to enter into a contract with the department for loan repayment and construction or development of the proposed water development project or activity; and

(5) if the application is for a grant, the applicant is able and willing to enter into a contract with the department for construction or development of the proposed water development project or activity.

**History:** **En. Sec. 10, Ch. 505, L. 1981.**

**Cross-References**

State water plan, 85-1-203.

**85-1-610. Evaluation of grants and loans to private persons.** The department shall consider the following criteria and preferences in evaluating applications and selecting the recipients of grants and loans for water development projects and activities that are eligible for funding under 85-1-609:

(1) The extent and desirability of the public benefits that will be provided must be considered.

(2) A water development project or activity that will be used as part of a family farm shall be given preference. A family farm is one devoted primarily to agriculture under the ownership and operation of a resident Montana family.

(3) A water development project or activity that will utilize or develop water reserved under 85-2-316 shall be given preference. An activity includes all necessary work associated with a project, beginning with application preparation through the implementation of a water reservation by a qualified state applicant.

(4) The department, to the extent practicable, shall attempt to achieve geographic balance in the promotion of water development projects and activities through the awarding of loans and grants to private persons.

(5) The extent to which the water development project or activity will fully utilize water resources and promote the conservation and efficient use of the water resource shall be evaluated and considered.

(6) Projects or activities that could not be accomplished without the assistance of a loan or grant shall be given preference.

(7) The department shall give due consideration to any other factor that, in the department's judgment, is important to the evaluation of the water development project or activity in light of the purposes, policies, and objectives of the water development program.

**History: En. Sec. 11, Ch. 505, L. 1981; amd. Sec. 12, Ch. 512, L. 1985.**

**Cross-References**

State water plan, 85-1-203.

**85-1-611. Department to solicit views.** The department shall solicit and consider in its evaluation of proposed projects and activities the views of interested and affected departments, boards, agencies, commissions, and other subdivisions of the state, including local political subdivisions, of the federal government, and of other interested and affected persons.

**History: En. Sec. 12, Ch. 505, L. 1981.**

**85-1-612. Rulemaking authority.** The board shall adopt rules:

(1) prescribing the form and content of applications for grants and loans;

(2) governing the application of the criteria for awarding loans and grants to private persons;

(3) providing for the servicing of loans including arrangements for obtaining security interests and the establishment of reasonable fees or charges to be made; and

(4) describing the terms and conditions for making grants and loans, the security instruments, and the agreements necessary.

**History: En. Sec. 13, Ch. 505, L. 1981.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**85-1-613. Limits on loans.** (1) No loan for a water development project or activity may be made from the water development state special revenue account or water development account that exceeds the least of $200,000, 10% of the estimated total funds potentially available for loans in the water development state special revenue account and water development account in the biennium in which the loan will be made, or 80% of the fair market value of the security given therefor. In determining the fair market value for the security given for a loan, the department shall consider appraisals made by qualified appraisers and other factors it considers important.

(2) The period for repayment of loans may not exceed 30 years.

(3) The board shall from time to time establish the interest rate at which loans may be made under this part that is sufficient to:

(a) cover the bond debt service for a loan; and

(b) establish and maintain a loan loss reserve fund to be used for bond debt service if a loan loss occurs.

**History: En. Sec. 14, Ch. 505, L. 1981; amd. Sec. 4, Ch. 149, L. 1983; amd. Sec. 39, Ch. 298, L. 1983; amd. Sec. 4, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (3), at end of introductory clause, inserted "that is sufficient to"; inserted (3)(a) relating to bond debt service; and inserted (3)(b) relating to establishment and maintenance of a loan loss reserve fund. Amendment effective April 11, 1989.

**Cross-References**
Fund structure, 17-2-102.
Water development state special revenue account, 85-1-604.
Water development account, 85-1-617.

**85-1-614. Limits on grants from water development state special revenue account.** The maximum grant awarded to a private person may not exceed 5% of the estimated total funds potentially available in the water development state special revenue account for grants in the biennium in which the grant will be made or 25% of the total project cost, whichever is less.

**History: En. Sec. 15, Ch. 505, L. 1981; amd. Sec. 40, Ch. 298, L. 1983.**

**Cross-References**
Water development state special revenue account, 85-1-604.

**85-1-615. Security interests — purchase, operation, and resale of encumbered property.** (1) The state has a lien upon a project constructed with money from the water development state special revenue account or water development account for the amount of the loan and interest due the state. This lien may attach to any project facilities, equipment, easements, real property, and property of any kind or nature owned by the debtor, including all water rights. The department shall file with the county clerk and recorder of each county in which a part of the project is located either a financing statement or a real estate mortgage covering the loan, its amount, terms, and a description of the security. The county clerk and recorder shall record and index the lien as other liens are required by law to be recorded and indexed. The lien shall be valid until paid in full or otherwise discharged. The lien shall be foreclosed in accordance with applicable state law governing foreclosure of mortgages and liens.

(2) From the funds available under 85-1-604(3)(c) or 85-1-617, the state may:

(a) purchase a lien that is prior to the state's lien if:

(i) the director of the department determines that the loan is in default and the prospects for collecting the loan may be materially increased by purchasing the prior lien; and

(ii) the amount to be paid for the prior lien does not exceed the appraised value of the property;

(b) operate property that is subject to the state's lien if the director of the department determines that the loan is in default and the prospects for collecting the loan may be materially increased by operating the property that is subject to the state's lien; or

(c) purchase a prior lien as provided in (2)(a) and operate property as provided in (2)(b).

(3) Any property acquired under the provisions of this section must be resold as expeditiously as possible to recover funds used under this section and funds loaned to the borrower.

**History: En. Sec. 16, Ch. 505, L. 1981; amd. Sec. 41, Ch. 298, L. 1983; amd. Sec. 5, Ch. 491, L. 1989.**

**Compiler's Comments**
*1989 Amendment:* Inserted (2) relating to purchase of a prior lien and operation of encumbered property; and inserted (3) relating to resale of encumbered property. Amendment effective April 11, 1989.

**Cross-References**

Liens, Title 71, ch. 3.

Water development state special revenue account, 85-1-604.

Water development account, 85-1-617.

**85-1-616. Administration of loans and grants.** The department shall:

(1) administer the loan and grant program established by this part;

(2) service loans made or contract and pay for the servicing of loans, including arrangements for obtaining security interests; and

(3) collect reasonable fees or charges for the servicing of loans, including arrangements for obtaining security interests. The fees and charges must be deposited in the water development state special revenue account pursuant to 85-1-604.

**History:** En. Sec. 17, Ch. 505, L. 1981; amd. Sec. 5, Ch. 149, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.

**85-1-617. Issuing bonds.** (1) When authorized by the legislature and within the limits of the authorization and within the further limitations established in this section, the board of examiners may issue and sell water development bonds of the state in the amount and manner it considers necessary and proper to finance the water development loan program. The full faith and credit and taxing powers of the state are pledged for the prompt and full payment of all bonds so issued and interest and redemption premiums payable thereon according to their terms.

(2) Each series of water development bonds may be issued by the board of examiners, upon request of the board of natural resources and conservation, at public or private sale, in such denominations and forms, whether payable to bearer with attached interest coupons or registered as to principal or as to both principal and interest, with such provisions for conversion or exchange and for the issuance of notes in anticipation of the issuance of definitive bonds, bearing interest at such rate or rates, maturing at such rate or rates, maturing at such time or times not exceeding 30 years from date of issue, subject to optional or mandatory redemption at such earlier times and prices and upon such notice, with such provisions for payment and discharge by the deposit of funds or securities in escrow for that purpose, and payable at the office of such banking institution or institutions within or outside the state, as the board of examiners shall determine subject to the limitations contained in this section and 17-5-731.

(3) In the issuance of each series of water development bonds, the interest rates and the maturities and any mandatory redemption provisions thereof shall be established in such manner that the funds then specifically pledged and appropriated by law to the water development debt service fund will in the judgment of the board of examiners be received in an amount sufficient in each year to pay all principal, redemption premiums, and interest due and payable in that year with respect to that and all prior series of such bonds, except outstanding bonds as to which the obligation of the state has been discharged by the deposit of funds or securities sufficient for their payment in accordance with the terms of the resolutions by which they are authorized to be issued.

(4) In all other respects, the board of examiners is authorized to prescribe the form and terms of the bonds and notes and shall do whatever is lawful and necessary for their issuance and payment. Such bonds, notes, and any

interest coupons appurtenant thereto must be signed by the members of the board of examiners, and the bonds and notes must be issued under the great seal of the state of Montana. The bonds, notes, and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds and notes issued and sold.

(5) There is created a water development account within the state special revenue fund established in 17-2-102.

(6) All proceeds of bonds or notes issued under this section, other than refunding bonds, must be deposited in the water development account established in subsection (5), except that any principal and accrued interest received in repayment of a loan made from the proceeds of bonds issued under this section must be deposited in the water development debt service fund and the water development loan loss reserve fund pursuant to 85-1-603. All proceeds of refunding bonds must be deposited in the water development debt service fund and applied to the payment and redemption of outstanding bonds issued under this section as directed by the board, whether at maturity or on any earlier date on which they may be prepaid according to their terms.

(7) All actions taken by the board of examiners under this section or 85-1-619 must be authorized by a vote of a majority of the members of the board of examiners.

**History: En. Sec. 18, Ch. 505, L. 1981; amd. Sec. 6, Ch. 149, L. 1983; amd. Secs. 42, 55, Ch. 298, L. 1983; amd. Sec. 13, Ch. 512, L. 1985; amd. Sec. 3, Ch. 6, Sp. L. March 1986; amd. Sec. 6, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (6) inserted reference to the water development loan loss reserve fund. Amendment effective April 11, 1989.

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

Bond issues, Title 17, ch. 5.

**85-1-618. Restrictions on use of bond proceeds.** Water development bond proceeds may be used only for the purpose of making loans as provided in the water development program or for purchasing liens and operating property as provided in 85-1-615.

**History: En. Sec. 19, Ch. 505, L. 1981; amd. Sec. 7, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end inserted "or for purchasing liens and operating property as provided in 85-1-615". Amendment effective April 11, 1989.

**85-1-619. Debt service fund — pledge and administration of sufficient balance.** (1) The legislature may levy, impose, assess, and pledge and appropriate to the water development debt service fund any tax, charge, fee, rental, or other income from any designated source. The state reserves the right to modify from time to time the nature and amount of special taxes and other revenues pledged and appropriated to the water development debt service fund, provided that the aggregate resources so pledged and appropriated are determined by the legislature to be sufficient for the prompt and full payment of the principal of and interest and redemption premiums when due on all bonds payable from that fund and provided that the pledge of the full faith and credit and taxing powers of the state for the security of all such bonds shall be and remain irrevocable until they are fully paid.

(2) Money in the water development debt service fund must be used to pay interest, principal, and redemption premiums when due and payable with respect to water development bonds, and for bonds issued prior to 1985, to accumulate a reserve for the further security of such payments.

(3) After the reserve provided for in subsection (2) for bonds issued prior to 1985 has been accumulated in the water development debt service fund, money at any time received in the water development debt service fund in excess of that amount must be transferred by the treasurer to the water development state special revenue account.

**History:** **En. Sec. 20, Ch. 505, L. 1981; amd. Sec. 43, Ch. 298, L. 1983; amd. Sec. 14, Ch. 512, L. 1985.**

**85-1-620. Water development refunding bonds.** (1) The board of examiners may issue refunding bonds at such times and in such amounts, if any, as may be necessary to pay principal or interest due that cannot be paid from funds then on hand in the water development debt service fund. The board of examiners may also issue refunding bonds to refund outstanding bonds before maturity for the purpose of extending the maturities thereof so far as determined by the board of examiners to be necessary to assure that the funds then pledged to the water development debt service fund will be sufficient for payment of principal and interest due in subsequent years. The board of examiners may also issue refunding bonds to refund outstanding bonds before maturity for the purpose of reducing the interest cost or the total amount of principal and interest payable thereon.

(2) No refunding bonds may be issued and sold more than 3 months before all bonds refunded thereby mature or are called for redemption unless the proceeds thereof, with any other funds in the water development debt service fund that are needed and available for the purpose or securities purchased from such proceeds and other funds, are deposited with a suitable banking institution within or outside the state, in escrow, for the retirement of the refunded bonds at maturity or at a prior date or dates on which they have been called for redemption in accordance with their terms, in an amount and in a manner sufficient under the provisions securing the refunded bonds, so that the state's obligation to pay the same, from sources other than the escrow fund, is discharged.

(3) No new debt may be created by the issuance of refunding bonds in accordance with this section, but such refunding bonds shall evidence the debt previously created and shall be secured by the pledge of the full faith and credit and taxing powers of the state and by the further provisions of this part in the same manner as the bonds refunded thereby.

**History:** **En. Sec. 21, Ch. 505, L. 1981; amd. Sec. 44, Ch. 298, L. 1983.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Water development debt service fund, 85-1-603.

**85-1-621. Report to the legislature.** The department shall prepare a biennial report to the legislature describing the status of the water development program. The report must describe ongoing projects and activities and those which have been completed during the biennium. The report must identify and rank in order of priority the projects for which the department desires to seek congressional authorization and funding and the efforts the department will undertake in attempting to secure such authorization and funding. The report must also describe proposed projects and activities for the coming biennium and recommendations for necessary appropriations. A copy of the report shall be submitted to the president of the senate and the speaker of the house, to the members of the water policy committee established in 85-2-105, and to such other members of the legislature as may request a copy.

**History: En. Sec. 22, Ch. 505, L. 1981; amd. Sec. 19, Ch. 573, L. 1985.**

**85-1-622. Penalty.** No member, officer, attorney, or other employee of the board or the department may, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this part other than the salary, fee, or other compensation as he may receive as a member, officer, attorney, or employee. A person convicted of violating any provision of this section shall be punished by a fine not to exceed $2,000 or be imprisoned for not to exceed 2 years, or both.

**History: En. Sec. 23, Ch. 505, L. 1981.**

**85-1-623. Authorization of water development bonds.** The legislature, through the enactment of this section by a two-thirds vote of the members of each house, authorizes the creation of state debt in an amount not to exceed $10 million and the issuance and sale of water development bonds in this amount for the purpose of providing funds appropriated to the water development account for loans as provided in the water development program or for the purchase of liens and operation of property as provided in 85-1-615.

**History: En. Sec. 1, Ch. 507, L. 1981; amd. Sec. 45, Ch. 298, L. 1983; amd. Sec. 15, Ch. 512, L. 1985; amd. Sec. 8, Ch. 491, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end inserted "or for the purchase of liens and operation of property as provided in 85-1-615". Amendment effective April 11, 1989.

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

Bond issues, Title 17, ch. 5.

# CHAPTER 2

## SURFACE AND GROUNDWATER

### Part 1 — General Provisions

85-2-101. Declaration of policy and purpose.
85-2-102. Definitions.
85-2-103. Measurement of water.
85-2-104. Repealed.
85-2-105. Water policy committee.
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**Chapter Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

Smith River Management Act, Title 23, ch. 2, part 4.

## Part 1

## General Provisions

**85-2-101. Declaration of policy and purpose.** (1) Pursuant to Article IX of the Montana constitution, the legislature declares that any use of water is a public use and that the waters within the state are the property of the state for the use of its people and are subject to appropriation for beneficial uses as provided in this chapter.

(2) A purpose of this chapter is to implement Article IX, section 3 (4) of the Montana constitution, which requires that the legislature provide for the administration, control, and regulation of water rights and establish a system of centralized records of all water rights. The legislature declares that this system of centralized records recognizing and establishing all water rights is essential for the documentation, protection, preservation, and future beneficial use and development of Montana's water for the state and its citizens and for the continued development and completion of the comprehensive state water plan.

(3) It is the policy of this state and a purpose of this chapter to encourage the wise use of the state's water resources by making them available for

appropriation consistent with this chapter and to provide for the wise utilization, development, and conservation of the waters of the state for the maximum benefit of its people with the least possible degradation of the natural aquatic ecosystems. In pursuit of this policy, the state encourages the development of facilities which store and conserve waters for beneficial use, for the maximization of the use of those waters in Montana, for the stabilization of stream flows, and for groundwater recharge.

(4) Pursuant to Article IX, section 3 (1) of the Montana constitution, it is further the policy of this state and a purpose of this chapter to recognize and confirm all existing rights to the use of any waters for any useful or beneficial purpose.

**History: En. Sec. 2, Ch. 452, L. 1973; R.C.M. 1947, 89-866.**

**Cross-References**

Rights for useful or beneficial purpose recognized and confirmed, Art. IX, sec. 3, Mont. Const.

Water quality, Title 75, ch. 5.

Aquatic ecosystem protections, Title 75, ch. 7.

Policy considerations, 85-1-101.

Interpretation of title, 85-1-103.

State water plan, 85-1-203.

Department powers over state waters, 85-1-204.

Adjudication of water rights, Title 85, ch. 2, part 2.

Appropriations, permits, and certificates of water rights, Title 85, ch. 2, part 3.

Utilization of water, Title 85, ch. 2, part 4.

Ground water, Title 85, ch. 2, part 5.

**85-2-102.** *(Temporary)* **Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Appropriate" means to:

(a) divert, impound, or withdraw (including by stock for stock water) a quantity of water;

(b) in the case of a public agency, to reserve water in accordance with 85-2-316; or

(c) in the case of the department of fish, wildlife, and parks, to lease water in accordance with 85-2-436.

(2) "Beneficial use", unless otherwise provided, means:

(a) a use of water for the benefit of the appropriator, other persons, or the public, including but not limited to agricultural (including stock water), domestic, fish and wildlife, industrial, irrigation, mining, municipal, power, and recreational uses;

(b) a use of water appropriated by the department for the state water leasing program under 85-2-141 and of water leased under a valid lease issued by the department under 85-2-141; and

(c) a use of water by the department of fish, wildlife, and parks pursuant to a lease authorized under 85-2-436.

(3) "Board" means the board of natural resources and conservation provided for in 2-15-3302.

(4) "Certificate" means a certificate of water right issued by the department.

(5) "Change in appropriation right" means a change in the place of diversion, the place of use, the purpose of use, or the place of storage.

(6) "Commission" means the fish and game commission provided for in 2-15-3402.

(7) "Declaration" means the declaration of an existing right filed with the department under section 8, Chapter 452, Laws of 1973.

(8) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(9) "Existing right" means a right to the use of water which would be protected under the law as it existed prior to July 1, 1973.

(10) "Groundwater" means any water beneath the land surface or beneath the bed of a stream, lake, reservoir, or other body of surface water, and which is not a part of that surface water.

(11) "Permit" means the permit to appropriate issued by the department under 85-2-301 through 85-2-303 and 85-2-306 through 85-2-314.

(12) "Person" means an individual, association, partnership, corporation, state agency, political subdivision, the United States or any agency thereof, or any other entity.

(13) "Political subdivision" means any county, incorporated city or town, public corporation, or district created pursuant to state law or other public body of the state empowered to appropriate water but not a private corporation, association, or group.

(14) "Waste" means the unreasonable loss of water through the design or negligent operation of an appropriation or water distribution facility or the application of water to anything but a beneficial use.

(15) "Water" means all water of the state, surface and subsurface, regardless of its character or manner of occurrence, including but not limited to geothermal water, diffuse surface water, and sewage effluent.

(16) "Water division" means a drainage basin as defined in 3-7-102.

(17) "Water judge" means a judge as provided for in Title 3, chapter 7.

(18) "Water master" means a master as provided for in Title 3, chapter 7.

(19) "Well" means any artificial opening or excavation in the ground, however made, by which groundwater is sought or can be obtained or through which it flows under natural pressures or is artificially withdrawn. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**85-2-102.** *(Effective July 1, 1993)* **Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Appropriate" means to divert, impound, or withdraw (including by stock for stock water) a quantity of water or, in the case of a public agency, to reserve water in accordance with 85-2-316.

(2) "Beneficial use", unless otherwise provided, means:

(a) a use of water for the benefit of the appropriator, other persons, or the public, including but not limited to agricultural (including stock water), domestic, fish and wildlife, industrial, irrigation, mining, municipal, power, and recreational uses; and

(b) a use of water appropriated by the department for the state water leasing program under 85-2-141 and of water leased under a valid lease issued by the department under 85-2-141.

(3) "Board" means the board of natural resources and conservation provided for in 2-15-3302.

(4) "Certificate" means a certificate of water right issued by the department.

(5) "Change in appropriation right" means a change in the place of diversion, the place of use, the purpose of use, or the place of storage.

(6) "Declaration" means the declaration of an existing right filed with the department under section 8, Chapter 452, Laws of 1973.

(7) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(8) "Existing right" means a right to the use of water which would be protected under the law as it existed prior to July 1, 1973.

(9) "Groundwater" means any water beneath the land surface or beneath the bed of a stream, lake, reservoir, or other body of surface water, and which is not a part of that surface water.

(10) "Permit" means the permit to appropriate issued by the department under 85-2-301 through 85-2-303 and 85-2-306 through 85-2-314.

(11) "Person" means an individual, association, partnership, corporation, state agency, political subdivision, the United States or any agency thereof, or any other entity.

(12) "Political subdivision" means any county, incorporated city or town, public corporation, or district created pursuant to state law or other public body of the state empowered to appropriate water but not a private corporation, association, or group.

(13) "Waste" means the unreasonable loss of water through the design or negligent operation of an appropriation or water distribution facility or the application of water to anything but a beneficial use.

(14) "Water" means all water of the state, surface and subsurface, regardless of its character or manner of occurrence, including but not limited to geothermal water, diffuse surface water, and sewage effluent.

(15) "Water division" means a drainage basin as defined in 3-7-102.

(16) "Water judge" means a judge as provided for in Title 3, chapter 7.

(17) "Water master" means a master as provided for in Title 3, chapter 7.

(18) "Well" means any artificial opening or excavation in the ground, however made, by which groundwater is sought or can be obtained or through which it flows under natural pressures or is artificially withdrawn.

**History: En. Sec. 3, Ch. 452, L. 1973; amd. Sec. 1, Ch. 192, L. 1974; amd. Sec. 1, Ch. 485, L. 1975; amd. Sec. 1, Ch. 416, L. 1977; amd. Sec. 7, Ch. 460, L. 1977; R.C.M. 1947, 89-867; amd. Sec. 1, Ch. 327, L. 1979; amd. Sec. 1, Ch. 552, L. 1979; amd. Sec. 29, Ch. 697, L. 1979; amd. Sec. 1, Ch. 573, L. 1985; amd. Sec. 1, Ch. 658, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In definition of appropriate inserted (c) regarding water leasing; in definition of beneficial use inserted (c) regarding water use pursuant to lease; inserted definition of Commission; and made minor changes in phraseology and form. Amendment effective May 11, 1989, and terminates June 30, 1993.

**85-2-103. Measurement of water.** (1) After July 1, 1899, a cubic foot of water (7.48 gallons) per second of time shall be the legal standard for the measurement of water in this state.

(2) Where water rights expressed in statutory or miner's inches have been granted, 100 statutory or miner's inches shall be considered equivalent to a flow of 2.5 cubic feet (18.7 gallons) per second, 200 statutory or miner's inches shall be considered equivalent to a flow of 5 cubic feet (37.4 gallons) per second, and this proportion shall be observed in determining the equivalent flow represented by any number of statutory or miner's inches.

(3) The provisions of this section shall not affect or change the measurement of water decreed by a court prior to July 1, 1899, but such decreed

water shall be measured according to the law in force at the time such decree was made and entered.

**History: (1)En. Sec. 1, p. 126, L. 1899; re-en. Sec. 4854, Rev. C. 1907; re-en. Sec. 7107, R.C.M. 1921; re-en. Sec. 7107, R.C.M. 1935; Sec. 89-817, R.C.M. 1947; (2)Ap. p. Sec. 2, p. 126, L. 1899; re-en. Sec. 4855, Rev. C. 1907; re-en. Sec. 7108, R.C.M. 1921; re-en. Sec. 7108, R.C.M. 1935; Sec. 89-818, R.C.M. 1947; Ap. p. Sec. 10, Ch. 185, L. 1907; re-en. Sec. 4877, Rev. C. 1907; re-en. Sec. 7132, R.C.M. 1921; re-en. Sec. 7132, R.C.M. 1935; Sec. 89-843, R.C.M. 1947; (3)En. Sec. 3, p. 126, L. 1899; re-en. Sec. 4856, Rev. C. 1907; re-en. Sec. 7109, R.C.M. 1921; re-en. Sec. 7109, R.C.M. 1935; Sec. 89-819, R.C.M. 1947; R.C.M. 1947, 89-817, 89-818, 89-819, 89-843(part).**

**Cross-References**

Statement of claim, 85-2-224.

Final decree, 85-2-234.

Priority, 85-2-401.

**85-2-104. Repealed.** Sec. 24, Ch. 573, L. 1985.

**History: En. Sec. 2, Ch. 552, L. 1979.**

**85-2-105. Water policy committee.** (1) There is a permanent water policy committee of the legislature. The committee consists of eight members. The senate committee on committees and the speaker of the house of representatives shall each appoint four members on a bipartisan basis. The committee shall elect its chairman and vice-chairman. The committee shall meet as often as necessary, including during the interim between sessions, to perform the duties specified within this section.

(2) On a continuing basis, the committee shall:

(a) advise the legislature on the adequacy of the state's water policy and of important state, regional, national, and international developments which affect Montana's water resources;

(b) oversee the policies and activities of the department of natural resources and conservation, other state executive agencies, and other state institutions, as they affect the water resources of the state; and

(c) communicate with the public on matters of water policy as well as the water resources of the state.

(3) On a regular basis, the committee shall:

(a) analyze and comment on the state water plan required by 85-1-203, when filed by the department;

(b) analyze and comment on the report of the status of the state's water development program required by 85-1-621, when filed by the department;

(c) analyze and comment on water-related research undertaken by any state agency, institution, college, or university;

(d) analyze, verify, and comment on the adequacy of and information contained in the water resources data management system maintained by the department under 85-2-112; and

(e) report to the legislature, not less than once every biennium.

(4) The environmental quality council shall provide staff assistance to the committee. The committee may contract with experts and consultants, in addition to receiving assistance from the environmental quality council, in carrying out its duties under this section.

**History: En. Sec. 20, Ch. 573, L. 1985.**

**Cross-References**

Appointment and composition of joint subcommittees, 5-5-211.

Environmental Quality Council, Title 5, ch. 16.

**85-2-106 through 85-2-110 reserved.**

**85-2-111. Department powers.** The department may:

(1) enter into agreements with federal, state, or local agencies necessary to carry out this chapter;

(2) apply for, accept, administer, and expend funds, grants, gifts, and loans from the federal government or any other public or private source for the purposes of this chapter.

**History:** En. Sec. 4, Ch. 452, L. 1973; R.C.M. 1947, 89-868(2).

**Cross-References**

Federal revenues and endowments, Title 17, ch. 3.

Contracts with the United States, 85-1-221.

**85-2-112. Department duties.** The department shall:

(1) enforce and administer this chapter and rules adopted by the board under 85-2-113, subject to the powers and duties of the supreme court under 3-7-204;

(2) prescribe procedures, forms, and requirements for applications, permits, certificates, claims of existing rights, and proceedings under this chapter and prescribe the information to be contained in any application, claim of existing right, or other document to be filed with the department under this chapter not inconsistent with the requirements of this chapter;

(3) establish and keep in its Helena office a centralized record system of all existing rights and a public record of permits, certificates, claims of existing rights, applications, and other documents filed in its office under this chapter;

(4) in cooperation with other state agencies, institutions, colleges, and universities, establish and maintain a centralized and efficient water resources data management system sufficient to make available and readily accessible, in a usable format, to state agencies and other interested persons, information on the state's water resources, out-of-state water resources that affect the state, existing and potential uses, and existing and potential demand. All other state agencies, institutions, and colleges and universities shall cooperate with the department in the development and maintenance of this system.

(5) cooperate with, assist, advise, and coordinate plans and activities with the federal, state, and local agencies in matters relating to this chapter;

(6) upon request by any person, cooperate with, assist, and advise that person in matters pertaining to measuring water or filing claims of existing rights with a district court under this chapter;

(7) adopt rules necessary to reject, modify, or condition permit applications in highly appropriated basins or subbasins as provided in 85-2-319.

**History:** En. Sec. 4, Ch. 452, L. 1973; R.C.M. 1947, 89-868(1); amd. Sec. 30, Ch. 697, L. 1979; amd. Sec. 3, Ch. 268, L. 1981; amd. Sec. 1, Ch. 448, L. 1983; amd. Sec. 17, Ch. 573, L. 1985.

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Adjudication of water rights, Title 85, ch. 2, part 2.

Department assistance to Water Judges, 85-2-243.

Appropriations, permits, and certificates of water rights, Title 85, ch. 2, part 3.

**85-2-113. Board powers and duties.** (1) The board may prescribe fees or service charges for any public service rendered by the department under this chapter, including fees for the filing of applications or for the issuance of permits and certificates, for rulemaking hearings under 85-2-319, for administrative hearings conducted under this chapter, for investigations concerning permit revocation, for field verification of issued and completed permits, and all change approvals. There shall be no fees for any action taken by the department at the request of the water judge or for the issuance of certificates of existing rights.

(2) The board may adopt rules necessary to implement and carry out the purposes and provisions of this chapter. These rules may include but are not limited to rules to:

(a) govern the issuance and terms of interim permits authorizing an applicant for a regular permit under this chapter to begin appropriating water immediately, pending final approval or denial by the department of the application for a regular permit;

(b) require the owner or operator of appropriation facilities to install and maintain suitable controlling and measuring devices, except that the board may not require a meter on a water well outside of a controlled groundwater area or proposed controlled groundwater area unless the maximum appropriation of the well is in excess of 100 gallons a minute;

(c) require the owner or operator of appropriation facilities to report to the department the readings of measuring devices at reasonable intervals and to file reports on appropriations; and

(d) regulate the construction, use, and sealing of wells to prevent the waste, contamination, or pollution of groundwater.

(3) The board shall adopt rules providing for and governing temporary emergency appropriations, without prior application for a permit, necessary to protect lives or property.

**History: En. Sec. 5, Ch. 452, L. 1973; amd. Sec. 1, Ch. 238, L. 1974; amd. Sec. 2, Ch. 485, L. 1975; R.C.M. 1947, 89-869; amd. Sec. 1, Ch. 292, L. 1979; amd. Sec. 31, Ch. 697, L. 1979; amd. Sec. 2, Ch. 448, L. 1983.**

**Cross-References**

Emergency rules, 2-4-303.

Water Courts, Title 3, ch. 7.

Water quality, Title 75, ch. 5.

Department assistance to Water Judges, 85-2-243.

Waste and contamination of ground water prohibited, 85-2-505.

**85-2-114. Prevention of waste.** (1) If the department ascertains, by a means reasonably considered sufficient by it, that a person is wasting water, using water unlawfully, or preventing water from moving to another person having a prior right to use the same, it may petition the district court supervising the distribution of water among appropriators from the source to:

(a) regulate the controlling works of an appropriation as may be necessary to prevent the wasting or unlawful use of water or to secure water to a person having a prior right to its use; or

(b) order the person wasting, unlawfully using, or interfering with another's rightful use of the water to cease and desist from doing so and to take such steps as may be necessary to remedy the waste, unlawful use, or interference.

(2) The department may attach to the controlling works a written notice, properly dated and signed, setting forth the fact that the controlling works have been properly regulated by it, which notice shall be legal notice to all persons interested in the appropriation or distribution of the water.

(3) The department may also direct its own attorney or request the attorney general or county attorney to bring suit to enjoin such waste, unlawful use, or interference.

**History: En. Sec. 33, Ch. 452, L. 1973; R.C.M. 1947, 89-897; amd. Sec. 32, Ch. 697, L. 1979.**

**Cross-References**

Water Courts — jurisdiction, Title 3, ch. 7, part 5.

When preliminary injunction may be granted, 27-19-201.

Department powers over state waters, 85-1-204.

Waste and contamination of ground water prohibited, 85-2-505.

**85-2-115. Entry on land.** Any employee or agent of the department authorized by the director may enter upon any land to carry out the purpose of this chapter, including but not limited to entry to make inspections the department considers necessary of proposed works, source of water, location of the proposed use, construction of works, and other inspections to ascertain whether or not persons are complying with this chapter. The department or its agent shall give reasonable notice to the landowner of its intention to enter upon the land. The department is responsible for actual damages done to any property.

**History: En. Sec. 34, Ch. 452, L. 1973; R.C.M. 1947, 89-898.**

**Cross-References**

General duty of care, 28-1-201.

Special projects — entry on land, 85-1-406.

**85-2-116. Legal assistance.** (1) When requested by the department, the attorney general and the county attorneys within their respective counties shall perform legal services and conduct legal proceedings necessary to carry out the purposes of this chapter. The department may also employ legal counsel to enforce this chapter and to conduct proceedings under it.

(2) If an appropriator who is a citizen of Montana becomes involved in a controversy to which any agency of the federal government or another state is a party, the department may in its discretion intervene as a party or provide necessary legal assistance to the citizen of Montana.

**History: En. Sec. 35, Ch. 452, L. 1973; amd. Sec. 9, Ch. 460, L. 1977; R.C.M. 1947, 89-899.**

**Cross-References**

Attorney General — general duties, 2-15-501.

Office of County Attorney, Title 7, ch. 4, part 27.

Negotiation with federal government, 85-2-703.

**85-2-117 through 85-2-120 reserved.**

**85-2-121. Administrative proceedings.** The Montana Administrative Procedure Act governs administrative proceedings conducted under parts 1 through 4 of this chapter, except that the common law and statutory rules of evidence shall apply only upon stipulation of all parties to a proceeding.

**History: En. Sec. 36, Ch. 452, L. 1973; amd. Sec. 13, Ch. 485, L. 1975; amd. Sec. 9, Ch. 416, L. 1977; R.C.M. 1947, 89-8-100.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Evidence, Title 26.

**85-2-122. Penalties.** A person who violates or refuses or neglects to comply with the provisions of this chapter, any order of the department, or any rule of the board is guilty of a misdemeanor.

**History: En. Sec. 37, Ch. 452, L. 1973; R.C.M. 1947, 89-8-101; amd. Sec. 21, Ch. 573, L. 1985.**

**Cross-References**

Classification of offenses, 45-1-201.

Misdemeanor defined, 45-2-101.

When no penalty is specified, 46-18-212.

**85-2-123. Deposit of fees and penalties.** Except as provided in 85-2-124 and 85-2-241, all fees and penalties collected under this chapter shall be deposited in the water right appropriation account established in 85-2-318. All penalties or fines imposed by any court other than a justice's court for a violation of this chapter shall be deposited in the general fund of the county where the court presides and shall be disposed of in the same manner as any other penalty or fine.

**History: En. Sec. 38, Ch. 452, L. 1973; R.C.M. 1947, 89-8-102; amd. Sec. 3, Ch. 448, L. 1983; amd. Sec. 2, Ch. 24, L. 1985; amd. Sec. 59, Ch. 557, L. 1987.**

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

Fund structure, 17-2-102.

**85-2-124. Fees for environmental impact statements.** (1) Whenever the department determines that the filing of an application (or a combination of applications) for a permit or approval under this chapter requires the preparation of an environmental impact statement as prescribed by the Montana Environmental Policy Act and the application (or combination of applications) involves the use of 4,000 or more acre-feet per year and 5.5 or more cubic feet per second of water, the applicant shall pay to the department the fee prescribed in this section. The department shall notify the applicant in writing within 90 days of receipt of a correct and complete application (or a combination of applications) if it determines that an environmental impact statement and fee is required.

(2) Upon notification by the department under subsection (1), the applicant shall pay a fee based upon the estimated cost of constructing, repairing, or changing the appropriation and diversion facilities as herein provided. The maximum fee that shall be paid to the department may not exceed the fees set forth in the following declining scale: 2% of the estimated cost up to $1 million; plus 1% of the estimated cost over $1 million and up to $20 million; plus ½ of 1% of the estimated cost over $20 million and up to $100 million; plus ¼ of 1% of the estimated cost over $100 million and up to $300 million; plus ⅛ of 1% of the estimated cost over $300 million. The fee shall be deposited in the state special revenue fund to be used by the department only to comply with the Montana Environmental Policy Act in connection with the application(s). Any amounts paid by the applicant but not actually expended by the department shall be refunded to the applicant.

(3) The department and the applicant may determine by agreement the estimated cost of any facility for purposes of computing the amount of the fee to be paid to the department by the applicant. The department may contract with an applicant for:

(a) the development of information by the applicant or a third party on behalf of the department and the applicant concerning the environmental impact of any proposed activity under an application;

(b) the division of responsibility between the department and an applicant for supervision over, control of, and payment for the development of information by the applicant or a third party on behalf of the department and the applicant under any such contract or contracts;

(c) the use or nonuse of a fee or any part thereof paid to the department by an applicant.

(4) Any payments made to the department or any third party by an applicant under any such contract or contracts shall be credited against any fee the applicant must pay hereunder. The department and the applicant may agree on additional credits against the fee for environmental work performed by the applicant at the applicant's own expense.

(5) No fee as prescribed by this section may be assessed against an applicant for a permit or approval if the applicant has also filed an application for a certificate of environmental compatibility or public need pursuant to the Montana Major Facility Siting Act and the appropriation or use of water involved in the application(s) for permit or approval has been or will be studied by the department pursuant to that act.

(6) This section shall apply to all applications, pending or hereinafter filed, for which the department has not, as of April 9, 1975, commenced writing an environmental impact statement. This section shall not apply to any application, the fee for which would not exceed $2,500.

(7) Failure to submit the fee as required by this section shall void the application(s).

(8) The department may in its discretion rely upon the environmental studies, investigations, reports, and assessments made by any other state agency or any person, including any applicant, in the preparation of its environmental impact statement.

**History: En. 89-8-102.2 by Sec. 1, Ch. 356, L. 1975; amd. Sec. 1, Ch. 117, L. 1977; R.C.M. 1947, 89-8-102.2; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 4, Ch. 448, L. 1983; amd. Sec. 6, Ch. 573, L. 1985.**

**Cross-References**

Protection and improvement of environment, Art. IX, sec. 1, Mont. Const.

Contracts, Title 28, ch. 2 and 3.

Environmental impact statements, Title 75, ch. 1, part 2.

Montana Major Facility Siting Act, Title 75, ch. 20.

**85-2-125. Recovery of attorney fees by prevailing party.** If a final decision of the department on an application for a permit is appealed to district court, the district court shall award the prevailing party reasonable attorney fees.

**History: En. 89-8-100.1 by Sec. 11, Ch. 416, L. 1977; R.C.M. 1947, 89-8-100.1.**

**Cross-References**

Attorneys' fees, Title 25, ch. 10, part 3.

**85-2-126 through 85-2-130 reserved.**

**85-2-131. Application for change of watercourse name.** (1) All applications for the change of name of any watercourse or natural source of water supply, including natural streams, dry coulees, springs, lakes, rivers, or creeks which lie wholly within the limits of one county must be made to the district court of the county where the watercourse or other natural source of water supply, the name of which is proposed to be changed, or some part thereof is situated. The petition must state in ordinary and concise language:

(a) a description of the watercourse or other natural source of water supply, the name of which is proposed to be changed, identifying the same as near as may be by natural monuments;

(b) the present name of the stream or other natural source of water supply and the name to which the petitioners desire the same to be changed, together with the reasons for the desired change of name;

(c) the names of all persons or corporations owning real estate abutting upon or water rights upon the same whose titles appear of record in the office of the county clerk and recorder in the county in which the watercourse or other natural source of water supply, or some part thereof, is situated.

(2) The petition must be signed by not less than 10 owners of real property abutting upon said watercourse or other natural source of water supply or owning water rights upon the same.

(3) The insufficiency of the petition in any of the above respects shall not be held to defeat the jurisdiction of the court.

**History: En. Sec. 1, Ch. 101, L. 1911; re-en. Sec. 9968, R.C.M. 1921; re-en. Sec. 9968, R.C.M. 1935; R.C.M. 1947, 93-100-6.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Role and duties of County Clerk, 7-4-2611.

**85-2-132. Change of watercourse name — public notice.** When such petition is filed in the district court, the court or the judge thereof shall designate some newspaper of general circulation in the county, such as is most likely to give all parties interested notice of the proceedings, and shall order that notice be published therein as hereinafter provided, and in his discretion he may require any other and further notice that to him may seem reasonable and shall fix a time at which objections to the granting of the petition for the change of name shall be heard. A copy of the petition, together with a notice of the time set for hearing objections thereto, shall be published in the newspaper designated by the court or judge for that purpose at least once a week for 4 successive weeks, and such other and further notice of the proceedings shall be given as the court or judge may in his discretion require.

**History: En. Sec. 2, Ch. 101, L. 1911; re-en. Sec. 9969, R.C.M. 1921; re-en. Sec. 9969, R.C.M. 1935; R.C.M. 1947, 93-100-7.**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-2-133. Change of watercourse name — hearing.** At the time set for hearing or at any time prior thereto, objections may be filed by any person who can, in such objections, show to the court or judge good reason against such change of name. The application and the objections must be heard at such time as the court or judge may appoint. On hearing, the court or judge may examine on oath any of the petitioners, remonstrants, objectors, or other persons touching the application and may make an order changing the name or dismissing the application as to the court or judge may seem right and proper.

**History: En. Sec. 3, Ch. 101, L. 1911; re-en. Sec. 9970, R.C.M. 1921; re-en. Sec. 9970, R.C.M. 1935; R.C.M. 1947, 93-100-8.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

**85-2-134. Change of watercourse name — judgment to be filed with county clerk.** If the change of name be ordered, a copy of the judgment, duly certified by the clerk of the court, shall be filed with the county clerk and recorder of the county in which the watercourse or other natural source of water supply is situated, and the clerk of the court shall, annually, in the month of January, make a return to the office of the secretary of state of all changes of names made in the district court of his county under this section.

**History:** En. Sec. 4, Ch. 101, L. 1911; re-en. Sec. 9971, R.C.M. 1921; re-en. Sec. 9971, R.C.M. 1935; R.C.M. 1947, 93-100-9.

**Cross-References**

Duties of Secretary of State, 2-15-401.

Role and duties of County Clerk, 7-4-2611.

**85-2-135 through 85-2-140 reserved.**

**85-2-141. Water leasing program.** (1) There is a water leasing program administered by the department on behalf of the state of Montana. Water leases issued under this program must be approved by the board.

(2) The department may acquire rights to water needed for leasing under this program through appropriation of water in its own name or by agreement with or purchase from another holder of water rights.

(3) Water for leasing under the water leasing program must be obtained from the following sources:

(a) any existing or future reservoir in a basin concerning which a temporary preliminary decree, a preliminary decree under 85-2-231, or a final decree under 85-2-234 has been entered;

(b) Fort Peck Reservoir, if an agreement between the department and the federal government concerning the acquisition of water and the sharing of revenues with the state is in effect;

(c) Tiber, Canyon Ferry, Hungry Horse, or Yellowtail Reservoirs if and for so long as there is an agreement between the department and the federal government concerning the acquisition of water and sharing of revenues with the state from one or more of these reservoirs; and

(d) any other existing or future federal reservoir:

(i) located in a basin concerning which a temporary preliminary decree, a preliminary decree under 85-2-231, or a final decree under 85-2-234 has been entered; and

(ii) for which and for so long as there is an agreement between the department and the federal government concerning the acquisition of water and the sharing of revenues with the state.

(4) Water may be leased for any beneficial use. The amount of water that can be leased under this program for all beneficial uses shall not exceed 50,000 acre-feet.

(5) The term of any lease may not exceed 50 years. A term may be extended up to another 50 years if the department again determines the desirability of leasing by applying the considerations set forth in subsection (7). In making such a redetermination, the department may require the completion of an environmental impact statement in accordance with subsection (6).

(6) The department shall require the completion of an environmental impact statement under the provisions of Title 75, chapter 1, for lease applications that would result in the consumption of 4,000 acre-feet a year or more

and 5.5 cubic feet per second or more of water and for any other application for which an environmental impact statement is required by law. The department shall require the completion of an environmental impact statement whenever the cumulative effect of more than one application for a lease would constitute a probable significant environmental impact.

(7) Upon application by any person to lease water, the department shall make an initial determination of whether it is desirable for the department to lease water to the applicant. Such a determination of desirability shall be made solely on the following considerations:

(a) the content of the environmental impact statement, if required;

(b) whether there is sufficient water available under the water leasing program; and

(c) whether the criteria, except as to legislative approval, set forth in 85-2-311 have been satisfied.

(8) The department shall for any agreement require commercially reasonable terms and conditions, which may include the requirement that up to 25% of the water to be leased be made available to a potential user for any beneficial use upon payment by such user of the costs of tapping into and removing water from the applicant's project. The department may differentiate in pricing, depending on the proposed beneficial use of the water.

(9) The lease of water or the use of water under a lease does not constitute a permit as provided in 85-2-102 and does not establish a right to appropriate water within the meaning of Title 85, chapter 2, part 3.

(10) For purposes of the water leasing program established in this section, it is the intent of the legislature that the state act as a proprietor.

**History: En. Sec. 13, Ch. 573, L. 1985.**

**Cross-References**

Departmental powers over state waters, 85-1-204.

Board powers and duties, 85-2-113.

Restrictions on right to appropriate waters, 85-2-301.

Reserved water not subject to leasing program, 85-2-316.

## Part 2

## Adjudication of Water Rights

**Part Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

### 85-2-201 through 85-2-210. Repealed. Sec. 37, Ch. 697, L. 1979.

**Compiler's Comments**

*Histories of Repealed Sections:*

**85-2-201.** En. Sec. 6, Ch. 452, L. 1973; R.C.M. 1947, 89-870.

**85-2-202.** En. Sec. 7, Ch. 452, L. 1973; R.C.M. 1947, 89-871.

**85-2-203.** En. Sec. 8, Ch. 452, L. 1973; amd. Sec. 1, Ch. 265, L. 1974; amd. Sec. 3, Ch. 485, L. 1975; R.C.M. 1947, 89-872.

**85-2-204.** En. Sec. 9, Ch. 452, L. 1973; amd. Sec. 4, Ch. 485, L. 1975; R.C.M. 1947, 89-873.

**85-2-205.** En. Sec. 10, Ch. 452, L. 1973; amd. Sec. 5, Ch. 485, L. 1975; R.C.M. 1947, 89-874.

**85-2-206.** En. Sec. 11, Ch. 452, L. 1973; amd. Sec. 6, Ch. 485, L. 1975; amd. Sec. 2, Ch. 416, L. 1977; R.C.M. 1947, 89-875.

**85-2-207.** En. Sec. 12, Ch. 452, L. 1973; amd. Sec. 7, Ch. 485, L. 1975; R.C.M. 1947, 89-876.

**85-2-208.** En. Sec. 13, Ch. 452, L. 1973; amd. Sec. 3, Ch. 416, L. 1977; R.C.M. 1947, 89-877.

**85-2-209.** En. Sec. 14, Ch. 452, L. 1973; R.C.M. 1947, 89-878.

**85-2-210.** En. Sec. 15, Ch. 452, L. 1973; R.C.M. 1947, 89-879.

**85-2-211. Petition by attorney general.** Within 20 days after May 11, 1979, the state of Montana upon relation of the attorney general shall petition the Montana supreme court to require all persons claiming a right within a water division to file a claim of the right as provided in 85-2-221.

**History: En. Sec. 20, Ch. 697, L. 1979.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Duties of Attorney General, 2-15-501.

Water divisions, Title 3, ch. 7, part 1.

**85-2-212. Order by supreme court.** (1) The Montana supreme court shall within 10 days of the filing of the petition by the attorney general issue an order to file a statement of a claim of an existing water right in substantially the following form:

"WATER RIGHTS ORDER

FAILURE TO FILE A CLAIM AS REQUIRED BY LAW WILL RESULT IN A CONCLUSIVE PRESUMPTION THAT THE WATER RIGHT OR CLAIMED WATER RIGHT HAS BEEN ABANDONED. (This introductory sentence shall be printed in not less than 12-point boldface type.) This order is notice of commencement of procedures for the general adjudication of existing rights to the use of water and of the requirement to file a claim for certain existing rights to the use of water. Every person, including but not limited to an individual, partnership, association, public or private corporation, city or other municipality, county, state agency or the state of Montana, and federal agency of the United States of America on its own behalf or as trustee for any Indian or Indian tribe, asserting a claim to an existing right to the use of water arising prior to July 1, 1973, is ordered to file a statement of claim to that right with the department no later than June 30, 1983. Claims for stock and individual as opposed to municipal domestic uses based upon instream flow or groundwater sources are exempt from this requirement; however, claims for such uses may be voluntarily filed. Claims filed with the department in the Powder River Basin in a declaration filed pursuant to the order of the department of natural resources and conservation or a district court issued pursuant to sections 8 and 9 of Chapter 452, Laws of 1973, or under sections 3 and 4 of Chapter 485, Laws of 1975, are also exempt.

For further information, contact the department of natural resources and conservation, Helena, Montana, for a copy of the law and an explanation of it."

(2) Upon petition of the attorney general, the Montana supreme court shall issue the order called for in subsection (1) with a shorter claim filing period of not less than 1 year, subject to extension not beyond June 30, 1983, by the Montana supreme court upon petition of the attorney general, in those basins or subbasins where state adjudication jurisdiction is being or is likely to be challenged.

**History: En. Sec. 16, Ch. 697, L. 1979.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Indian and federal water rights, Title 85, ch. 2, part 7.

**85-2-213. Notice of order.** To assure that all persons who may claim an existing water right are notified of the requirement to file a claim of that right, the Montana supreme court shall give notice of the order as follows:

(1) It shall cause the order, printed in not less than 10-point type, to be placed in a prominent and conspicuous place in all daily newspapers of the state and in at least one newspaper published in each county of the state within 30 days after the Montana supreme court order as provided in 85-2-212 and in April of 1980, 1981, 1982, and 1983.

(2) It shall cause the order, in writing, to be placed in a prominent and conspicuous location in each county courthouse in the state within 30 days after the Montana supreme court order as provided in 85-2-212.

(3) It shall provide a sufficient number of copies of the order to the county treasurers before October 15, 1979, 1980, 1981, and 1982, and the county treasurers shall enclose a copy of the order with each statement of property taxes mailed in 1979, 1980, 1981, and 1982. In the implementation of this subsection, the department shall provide reimbursement to each county treasurer for the reasonable additional costs incurred by the treasurer arising from the inclusion of the order required by this section. The department shall be reimbursed for such costs from the water right adjudication account created by 85-2-241.

(4) It shall provide copies of the order, in writing, to the press services with offices located in Helena within 30 days after the Montana supreme court order as provided in 85-2-212, and in April of 1980, 1981, 1982, and 1983.

(5) It shall, under authority granted to the states by 43 U.S.C. 666, provide for service of the petition and order upon the United States attorney general or his designated representative.

(6) It may also in its discretion give notice of the order in any other manner that will carry out the purposes of this section.

(7) It may also in its discretion order that the department or the water judge assist the Montana supreme court in the carrying out of this section.

**History: En. Sec. 17, Ch. 697, L. 1979.**

**Cross-References**

Due process of law guaranteed, Art. II, sec. 17, Mont. Const.

Water Judges, Title 3, ch. 7, part 2.

Property taxes — Treasurer to publish notice — manner of publication, 15-16-101.

Publication of legal notices, Title 18, ch. 7, part 2.

**85-2-214. Commencement of action.** (1) The action for the adjudication of all existing water rights under this part, part 7, and Title 3, chapter 7, is commenced with the issuing of the order by the Montana supreme court to file a statement of a claim of an existing water right as provided in 85-2-212. As to each claim, the action is considered filed in the judicial district of the county in which the diversion is made or, if there is a claimed right with no diversion, in the judicial district of the county in which the use occurs.

(2) The water judge shall monitor the claim filing procedure for claims within his water division and make any orders necessary to assure timely and accurate compliance with the claim filing procedure.

**History: En. Secs. 6, 20, Ch. 697, L. 1979.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Water Judges, Title 3, ch. 7, part 2.

**85-2-215. Consolidation of matters.** The water judge may consolidate all matters concerning the determination and interpretation of existing water rights within the water judge's division in any combination or groups of claims or matters for joint hearings or proceedings conducted by the water judge or water master in any location within the division. The water judge may make such consolidations as are necessary to administer the requirements of this part and part 7 in adjudicating claims of existing water rights.

**History:** **En. Sec. 6, Ch. 697, L. 1979.**

**Cross-References**

Water Courts, Title 3, ch. 7.

**85-2-216. Venue for water rights determinations.** All matters concerning the determination and interpretation of existing water rights shall be brought before or immediately transferred to the water judge in the proper water division unless witnesses have been sworn and testimony has been taken by a district court prior to the date of the Montana supreme court order as provided in 85-2-212.

**History:** **En. Sec. 6, Ch. 697, L. 1979.**

**Cross-References**

Water divisions, Title 3, ch. 7, part 1.

Water Courts — jurisdiction, Title 3, ch. 7, part 5.

Proper place of trial — venue, Title 25, ch. 2.

**85-2-217. Suspension of adjudication.** While negotiations for the conclusion of a compact under part 7 are being pursued, all proceedings to generally adjudicate reserved Indian water rights and federal reserved water rights of those tribes and federal agencies which are negotiating are suspended. The obligation to file water rights claims for those reserved rights is also suspended. This suspension shall be effective until July 1, 1993, as long as negotiations are continuing or ratification of a completed compact is being sought. If approval by the state legislature and tribes or federal agencies has not been accomplished by July 1, 1993, the suspension shall terminate on that date. Upon termination of the suspension of this part, the tribes and the federal agencies shall be subject to the special filing requirements of 85-2-702(3) and all other requirements of the state water adjudication system provided for in Title 85, chapter 2. Those tribes and federal agencies that choose not to negotiate their reserved water rights shall be subject to the full operation of the state adjudication system and may not benefit from the suspension provisions of this section.

**History:** **En. Sec. 27, Ch. 697, L. 1979; amd. Sec. 4, Ch. 268, L. 1981; amd. Sec. 1, Ch. 667, L. 1985; amd. Sec. 1, Ch. 358, L. 1987.**

**Cross-References**

Jurisdiction on Indian lands, Title 2, ch. 1, part 3.

Reserved Water Rights Compact Commission, 2-15-212.

**85-2-218. Process and criteria for designating priority basins or subbasins.** (1) The water judges and the department, in performing their functions in the adjudication process, shall give priority to basins or subbasins designated each biennium by the legislature. Basins or subbasins must be designated according to the following criteria:

(a) recurring water shortages within the basin or subbasin have resulted in urgent water rights controversies that require adjudication to determine relative rights;

(b) federal or Indian reserved rights are nearing determination, either by compact or adjudication, thus making adjudication of other rights in the basin or subbasin important for timely issuance of preliminary or final decrees;

(c) the basin or subbasin's location would help ensure efficient use of department and water court resources; and

(d) the adjudication process in the basin or subbasin is nearing the issuance of a decree.

(2) The water judge may designate a basin for priority adjudication upon petition of 100 or more persons who have filed claims within the basin, or he may designate a subbasin for priority adjudication upon petition of a majority of persons who have filed claims within the subbasin. The basin or subbasin shall receive priority, however, only if it meets one or more of the criteria in subsection (1).

(3) If adjudication work in one or more of the priority basins or subbasins has been completed or has been suspended for good cause, the water judge may select other basins or subbasins for priority adjudication, based on the criteria in subsection (1).

**History:** **En. Sec. 10, Ch. 651, L. 1987.**

**85-2-219 and 85-2-220 reserved.**

**85-2-221. Filing of claim of existing water right.** (1) A person claiming an existing right, unless exempted under 85-2-222 or unless an earlier filing date is ordered as provided in 85-2-212, shall file with the department no later than June 30, 1983, a statement of claim for each water right asserted on a form provided by the department.

(2) The department shall file a copy of each statement of claim with the clerk of the district court for the judicial district in which the diversion is made or, if there is a claimed right with no diversion, the department shall file a copy of the statement of claim with the clerk of the district court of the judicial district in which the use occurs.

**History:** **En. Sec. 11, Ch. 697, L. 1979.**

**Cross-References**

Existing water rights, Art. IX, sec. 3, Mont. Const.

General duties of Clerk of District Court, 3-5-501.

Department duties, 85-2-112.

**85-2-222. Exemptions.** Claims for existing rights for livestock and individual as opposed to municipal domestic uses based upon instream flow or groundwater sources and claims for rights in the Powder River Basin included in a declaration filed pursuant to the order of the department or a district court issued under sections 8 and 9 of Chapter 452, Laws of 1973, or under sections 3 and 4 of Chapter 485, Laws of 1975, are exempt from the filing requirements of 85-2-221(1). Such claims may, however, be voluntarily filed.

**History:** **En. Sec. 11, Ch. 697, L. 1979.**

**85-2-223. Public recreational uses.** The department of fish, wildlife, and parks shall exclusively represent the public for purposes of establishing any prior and existing public recreational use in existing right determinations under this part, provided that the foregoing shall not exclude a federal governmental entity from representing the public for the purpose of establishing any prior and existing public recreational use in existing right determinations under this part. The foregoing shall not be construed in any manner as a legislative determination of whether or not a recreational use sought to be established prior to July 1, 1973, is or was a beneficial use.

**History:** **En. Sec. 12, Ch. 697, L. 1979.**

**Cross-References**

Recreation, Title 23, ch. 2.

Beneficial use defined, 85-2-102.

Department of Fish, Wildlife, and Parks — powers and duties, 87-1-201.

**85-2-224. Statement of claim.** (1) The statement of claim for each right arising under the laws of the state and for each right reserved under the laws of the United States which has been actually put to use shall include substantially the following:

(a) the name and mailing address of the claimant;

(b) the name of the watercourse or water source from which the right to divert or make use of water is claimed, if available;

(c) the quantities of water and times of use claimed;

(d) the legal description, with reasonable certainty, of the point or points of diversion and places of use of waters;

(e) the purpose of use, including, if for irrigation, the number of acres irrigated;

(f) the approximate dates of first putting water to beneficial use for the various amounts and times claimed in subsection (c); and

(g) the sworn statement that the claim set forth is true and correct to the best of claimant's knowledge and belief.

(2) Any claimant filing a statement of claim under subsection (1) shall submit maps, plats, aerial photographs, decrees, or pertinent portions thereof, or other evidence in support of his claim. All maps, plats, or aerial photographs should show as nearly as possible to scale the point of diversion, place of use, place of storage, and other pertinent conveyance facilities.

(3) Any statement of claim for rights reserved under the laws of the United States which have not yet been put to use shall include substantially the following:

(a) the name and mailing address of the claimant;

(b) the name of the watercourse or water source from which the right to divert or make use of water is claimed, if available;

(c) the quantities of water claimed;

(d) the priority date claimed;

(e) the laws of the United States on which the claim is based; and

(f) the sworn statement that the claim set forth is true and correct to the best of claimant's knowledge and belief.

**History:** **En. Sec. 13, Ch. 697, L. 1979; amd. Sec. 2, Ch. 667, L. 1985.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Beneficial use defined, 85-2-102.

Measurement of water, 85-2-103.

Department duties, 85-2-112.

Irrigation districts, Title 85, ch. 7.

**85-2-225. Filing fee.** (1) Each claim filed under 85-2-221 or 85-2-222 must be accompanied by a filing fee in the amount of $40, subject to the following exceptions:

(a) the total filing fees for all claims filed by one person in any one water court division may not exceed $480; and

(b) no filing fee is required accompanying a claim of an existing right that is included in a decree of a court in the state of Montana and which is accompanied by a copy of that decree or pertinent portion thereof.

(2) A claim that is exempt from the filing requirements of 85-2-221(1) but that is voluntarily filed must be accompanied by a filing fee in the amount of $40. Exempt claims for a single development with several uses if filed simultaneously may be accompanied by a filing fee in the amount of $40.

**History: En. Sec. 18, Ch. 697, L. 1979; amd. Sec. 1, Ch. 253, L. 1981; amd. Sec. 5, Ch. 268, L. 1981.**

**Cross-References**

Board powers and duties, 85-2-113.

**85-2-226. Abandonment by failure to file claim.** The failure to file a claim of an existing right as required by 85-2-221 establishes a conclusive presumption of abandonment of that right.

**History: En. Sec. 14, Ch. 697, L. 1979.**

**Cross-References**

Existing rights preserved, Art. IX, sec. 3, Mont. Const.

Complete list of conclusive presumptions, 26-1-601.

**85-2-227. Claim to constitute prima facie evidence.** For purposes of adjudicating rights pursuant to this part, a claim of an existing right filed in accordance with 85-2-221 or an amended claim of existing right constitutes prima facie proof of its content until the issuance of a final decree. For purposes of administering water rights, the provisions of a temporary preliminary decree or a preliminary decree, as modified after objections and hearings, supersede a claim of existing right until a final decree is issued.

**History: En. Sec. 15, Ch. 697, L. 1979; amd. Sec. 5, Ch. 604, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning inserted "For purposes of adjudicating rights pursuant to this part"; after "85-2-221" inserted "or an amended claim of existing right"; and inserted second sentence providing that modified preliminary decree supersedes claim of existing right until issuance of final decree. Amendment effective April 21, 1989.

*Retroactive and Prospective Applicability:* Section 11, Ch. 604, L. 1989, provided: "(1) [This act] applies retroactively, within the meaning of 1-2-109, to all temporary preliminary decrees and preliminary decrees that have been issued by the Montana water courts and prospectively to all decrees issued on or after [the effective date of this act] [effective April 21, 1989].

(2) A person whose existing rights are determined in a temporary preliminary decree or a preliminary decree issued before [the effective date of this act] [effective April 21, 1989] may petition the water judge for relief concerning any matter in the decree prior to enforcement of the decree."

**Cross-References**

Evidence, Title 26.

**85-2-228 through 85-2-230 reserved.**

**85-2-231. Temporary preliminary and preliminary decree.** (1) A water judge may issue a temporary preliminary decree prior to the issuance of a preliminary decree if the temporary preliminary decree is necessary for the orderly adjudication or administration of water rights.

(2) (a) The water judge shall issue a preliminary decree. The preliminary decree shall be based on:

(i) the statements of claim before the water judge;

(ii) the data submitted by the department;

(iii) the contents of compacts approved by the Montana legislature and the tribe or federal agency or, lacking an approved compact, the filings for federal and Indian reserved rights; and

(iv) any additional data obtained by the water judge.

(b) The preliminary decree shall be issued within 90 days after the close of the special filing period set out in 85-2-702(3) or as soon thereafter as is reasonably feasible.

(c) This section does not prevent the water judge from issuing an interlocutory decree or other temporary decree, pursuant to 85-2-321 or as provided in subsection (1) of this section, or if such a decree is otherwise necessary for the orderly administration of water rights prior to the issuance of a preliminary decree.

(3) A preliminary decree may be issued for any hydrologically interrelated portion of a water division, including but not limited to a basin, subbasin, drainage, subdrainage, stream, or single source of supply of water, at a time different from the issuance of other preliminary decrees or portions of the same decree.

(4) The preliminary decree shall contain the information and make the determinations, findings, and conclusions required for the final decree under 85-2-234. The water judge shall include in the preliminary decree the contents of a compact negotiated under the provisions of part 7 that has been approved by the legislature and the tribe or federal agency.

(5) If the water judge is satisfied that the report of the water master meets the requirements for the preliminary decree set forth in subsections (1) and (3) and is satisfied with the conclusions contained in the report, the water judge shall adopt the report as the preliminary decree. If the water judge is not so satisfied, he may, at his option, recommit the report to the master with instructions, or modify the report and issue the preliminary decree.

(6) In issuing a subsequent preliminary decree, the water judge shall incorporate the temporary preliminary decree for the basin as modified by objections and hearings. The temporary preliminary decree or preliminary decree, as modified after objections and hearings, is enforceable and administrable according to its terms among parties ordered under 85-2-406. The preliminary decree, as modified after objections and hearings, shall upon issuance supersede and replace the temporary preliminary decree.

**History: En. Secs. 22, 27, Ch. 697, L. 1979; amd. Sec. 6, Ch. 268, L. 1981; amd. Sec. 1, Ch. 394, L. 1985; amd. Sec. 3, Ch. 667, L. 1985; amd. Sec. 1, Ch. 605, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (1) authorizing Water Judge to issue temporary preliminary decree if necessary for orderly adjudication or administration of water rights; in (1)(c) inserted "or as provided in subsection (1) of this section"; inserted (6) requiring Water Judge in issuing preliminary decree to incorporate temporary preliminary decree, as modified, after objections and hearings and providing that preliminary decree, as modified, supersedes and replaces temporary preliminary decree; and made minor changes in form. Amendment effective April 21, 1989.

*Applicability:* Section 8, Ch. 605, L. 1989, provided: "[This act] applies to any temporary preliminary decree or preliminary decree issued on or after [the effective date of this act]." Effective April 21, 1989.

**Cross-References**

Water Judges, Title 3, ch. 7, part 2.

Duties of watermasters, 3-7-311.

Reserved Water Rights Compact Commission, Title 85, ch. 2, part 7.

**85-2-232. Availability of temporary preliminary or preliminary decree.** (1) The water judge shall send to the department a copy of any temporary preliminary decree or preliminary decree issued for a basin, and the water judge shall serve by mail a notice of availability of the temporary preliminary decree or preliminary decree to each person who has filed a claim of existing right within the decreed basin and to the purchaser under contract for deed, as defined in 70-20-115, of property in connection with which a claim of existing right has been filed within the decreed basin or, in the Powder River Basin, to each person who has filed a declaration of an existing right. The water judge shall enclose with the notice an abstract of the disposition of such person's claimed or declared existing right. The notice of availability shall also be served upon those issued or having applied for and not having been denied a permit to beneficially use water within the decreed basin pursuant to Title 85, chapter 2, part 3, those granted a reservation within the decreed basin pursuant to 85-2-316, or other interested persons who request service of the notice from the water judge. The clerk or person designated by the water judge to mail the notice shall make a general certificate of mailing certifying that a copy of the notice has been placed in the United States mail, postage prepaid, addressed to each party required to be served notice of the temporary preliminary decree or preliminary decree. Such certificate shall be conclusive evidence of due and legal notice of entry of decree.

(2) Notice of the availability of a preliminary decree must also be published at least once each week for 3 consecutive weeks in at least three newspapers of general circulation which cover the water division or divisions in which the decreed basin is located. This notice must be provided before the final decree for the basin is issued.

(3) Any person may obtain a copy of the temporary preliminary decree or preliminary decree upon payment of a fee of $20 or the cost of printing, whichever is greater, to the water judge.

**History: En. Sec. 22, Ch. 697, L. 1979; amd. Sec. 28, Ch. 526, L. 1983; amd. Sec. 2, Ch. 605, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In four places, before "preliminary decree", inserted "temporary preliminary decree or"; in three places inserted "within the decreed basin"; in (1), after "decree", inserted "issued for a basin" and in third sentence, before "permit", deleted "beneficial water use" and after "permit" inserted "to beneficially use water within the decreed basin"; inserted (2) requiring publication of a notice of availability of preliminary decree in three newspapers where basin is located for 3 consecutive weeks before final decree is issued; and made minor changes in phraseology. Amendment effective April 21, 1989.

*Applicability:* Section 8, Ch. 605, L. 1989, provided: "[This act] applies to any temporary preliminary decree or preliminary decree issued on or after [the effective date of this act]." Effective April 21, 1989.

**Cross-References**

Duties of watermasters, 3-7-311.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Department duties, 85-2-112.

**85-2-233. Hearing on temporary preliminary decree or preliminary decree.** (1) (a) For good cause shown, a hearing shall be held before the water judge on any objection to a temporary preliminary decree or preliminary decree by:

(i) the department;

(ii) a person named in the temporary preliminary decree or preliminary decree;

(iii) any person within the basin entitled to receive notice under 85-2-232(1); or

(iv) any other person who claims rights to the use of water from sources in other basins that are hydrologically connected to the sources within the decreed basin and who would be entitled to receive notice under 85-2-232 if his claim or claims were from sources within the decreed basin.

(b) A person does not waive the right to object to a preliminary decree by failing to object to a temporary preliminary decree. However, a person may not raise an objection to a matter in a preliminary decree if he was a party to the matter when the matter was previously litigated and resolved as the result of an objection raised in a temporary preliminary decree, unless the objection is allowed for any of the following reasons:

(i) mistake, inadvertence, surprise, or excusable neglect;

(ii) newly discovered evidence that by due diligence could not have been discovered in time to move for a new trial under Rule 59(b) Montana Rules of Civil Procedure;

(iii) fraud, misrepresentation, or other misconduct of an adverse party;

(iv) the judgment is void; or

(v) any other reason justifying relief from the operation of the judgment.

(2) If a hearing is requested, the request must be filed with the water judge within 180 days after entry of the temporary preliminary decree or preliminary decree. The water judge may, for good cause shown, extend this time limit up to two additional 90-day periods if application for an extension is made prior to expiration of the original 180-day period or any extension of it.

(3) The request for a hearing shall contain a precise statement of the findings and conclusions in the temporary preliminary decree or preliminary decree with which the department or person requesting the hearing disagrees. The request shall specify the paragraphs and pages containing the findings and conclusions to which objection is made. The request shall state the specific grounds and evidence on which the objections are based.

(4) Upon expiration of the time for filing objections and upon timely receipt of a request for a hearing, the water judge shall notify each party named in the temporary preliminary decree or preliminary decree that a hearing has been requested. The water judge shall fix a day when all parties who wish to participate in future proceedings must appear or file a statement. The water judge shall then set a date for a hearing. The water judge may conduct individual or consolidated hearings. A hearing shall be conducted as for other civil actions. At the order of the water judge a hearing may be conducted by the water master, who shall prepare a report of the hearing as provided in M.R.Civ.P., Rule 53(e).

(5) Failure to object under subsection (1) to a compact negotiated and ratified under 85-2-702 or 85-2-703 bars any subsequent cause of action in the water court.

(6) If the court sustains an objection to a compact, it may declare the compact void. The agency of the United States, the tribe, or the United States on behalf of the tribe party to the compact shall be permitted 6 months after the court's determination to file a statement of claim, as provided in 85-2-224, and the court shall thereafter issue a new preliminary decree in accordance with 85-2-231; provided, however, that any party to a compact declared void may appeal from such determination in accordance with those procedures applicable to 85-2-235, and the filing of a notice of

appeal shall stay the period for filing a statement of claim as required under this subsection.

**History: En. Sec. 23, Ch. 697, L. 1979; amd. Sec. 7, Ch. 268, L. 1981; amd. Sec. 4, Ch. 667, L. 1985; amd. Sec. 3, Ch. 605, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning of (1)(a) substituted language requiring a hearing, upon showing of good cause, on objection to temporary preliminary or preliminary decree for "Upon objection to the"; in (1)(a)(ii) inserted "temporary preliminary decree or"; in (1)(a)(iii) substituted "within the basin entitled to receive notice under 85-2-232(1)" for language entitling person showing good cause to a hearing before judge; inserted (1)(a)(iv) requiring hearing, upon showing of good cause, on objection to decree by any person claiming use of water from sources in other basins hydrologically connected to sources in decreed basin and who is entitled to statutory notice; inserted (1)(b) providing that a person does not waive right to preliminary decree by failing to object to temporary preliminary decree and outlining under what circumstances a person who was a party when an objection was previously litigated and resolved in a temporary preliminary decree may subsequently raise an objection in a preliminary decree; in first sentence of (2) increased filing time from "90 days" to "180 days", before "entry" deleted "notice of" and inserted "temporary preliminary decree or" and in second sentence, after "limit", substituted "up to two" for "an", substituted "90-day periods" for "90 days", and after "made" substituted "prior to expiration of the original 180-day period or any extension of it" for "within 90 days after notice of entry of the preliminary decree"; in (3) and (4), before "preliminary decree", inserted "temporary preliminary decree or"; and made minor changes in phraseology. Amendment effective April 21, 1989.

*Applicability:* Section 8, Ch. 605, L. 1989, provided: "[This act] applies to any temporary preliminary decree or preliminary decree issued on or after [the effective date of this act]." Effective April 21, 1989.

**Cross-References**

Due process, Art. II, sec. 17, Mont. Const.
Duties of watermasters, 3-7-311.
Administrative proceedings, 85-2-121.

**85-2-234. Final decree.** (1) The water judge shall, on the basis of the preliminary decree and on the basis of any hearing that may have been held, enter a final decree affirming or modifying the preliminary decree. If no request for a hearing is filed within the time allowed, the preliminary decree automatically becomes final, and the water judge shall enter it as the final decree.

(2) The terms of a compact negotiated and ratified under 85-2-702 must be included in the final decree without alteration unless an objection is sustained pursuant to 85-2-233; provided that the court may not alter or amend any of the terms of a compact except with the prior written consent of the parties in accordance with applicable law.

(3) The final decree shall establish the existing rights and priorities within the water judge's jurisdiction of persons required by 85-2-221 to file a claim for an existing right, of persons required to file a declaration of existing rights in the Powder River Basin pursuant to an order of the department or a district court issued under sections 8 and 9 of Chapter 452, Laws of 1973, and of any federal agency or Indian tribe possessing water rights arising under federal law, required by 85-2-702 to file claims.

(4) The final decree shall establish, in a form determined to be appropriate by the water judge, one or more tabulations or lists of all water rights and their relative priorities.

(5) The final decree shall state the findings of fact, along with any conclusions of law, upon which the existing rights and priorities of each person, federal agency, and Indian tribe named in the decree are based.

(6) For each person who is found to have an existing right arising under the laws of the state of Montana, the final decree shall state:

(a) the name and post-office address of the owner of the right;

(b) the amount of water included in the right, as follows:

(i) by flow rate for direct flow rights, such as irrigation rights;

(ii) by volume for rights, such as stockpond and reservoir storage rights, and for rights that are not susceptible to measurement by flow rate; or

(iii) by flow rate and volume for rights that a water judge determines require both volume and flow rate to adequately administer the right;

(c) the date of priority of the right;

(d) the purpose for which the water included in the right is used;

(e) the place of use and a description of the land, if any, to which the right is appurtenant;

(f) the source of the water included in the right;

(g) the place and means of diversion;

(h) the inclusive dates during which the water is used each year;

(i) any other information necessary to fully define the nature and extent of the right.

(7) For each person, tribe, or federal agency possessing water rights arising under the laws of the United States, the final decree shall state:

(a) the name and mailing address of the holder of the right;

(b) the source or sources of water included in the right;

(c) the quantity of water included in the right;

(d) the date of priority of the right;

(e) the purpose for which the water included in the right is currently used, if at all;

(f) the place of use and a description of the land, if any, to which the right is appurtenant;

(g) the place and means of diversion, if any; and

(h) any other information necessary to fully define the nature and extent of the right, including the terms of any compacts negotiated and ratified under 85-2-702.

(8) Clerical mistakes in a final decree may be corrected at any time on the initiative of the water judge or on the petition of any person who possesses a water right. The water judge shall order the notice of a correction proceeding as he determines to be appropriate to advise all persons who may be affected by the correction. An order of the water judge making or denying a clerical correction is subject to appellate review.

**History: En. Sec. 24, Ch. 697, L. 1979; amd. Sec. 5, Ch. 667, L. 1985; amd. Sec. 1, Ch. 438, L. 1987; amd. Sec. 1, Ch. 426, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (4) relating to tabulation of water rights and their priorities in final decree; and inserted (8) relating to correction of clerical mistakes in final decree.

*Retroactive and Prospective Applicability:* Section 3, Ch. 426, L. 1989, provided: "[This act] applies retroactively, within the meaning of 1-2-109, to all final decrees that have been issued by the Montana water courts and prospectively to all final decrees issued on or after [the effective date of this act]." Effective October 1, 1989.

**Cross-References**

Enforcement of final decree, 3-7-212.

Water Courts — jurisdiction, Title 3, ch. 7, part 5.

**85-2-235. Appeals from final decree.** A person whose existing rights and priorities are determined in the final decree may appeal the determination only if:

(1) he requested a hearing and appeared and entered objections to the temporary preliminary decree or the preliminary decree; or

(2) his rights or priorities as determined in the temporary preliminary decree or the preliminary decree were affected as the result of an objection filed by another person.

**History:** **En. Sec. 25, Ch. 697, L. 1979; amd. Sec. 4, Ch. 605, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) and (2) inserted reference to temporary preliminary decree; and in (2), after "rights", inserted "or priorities", substituted "affected" for "altered", and substituted "an objection filed" for "a hearing requested". Amendment effective April 21, 1989.

*Applicability:* Section 8, Ch. 605, L. 1989, provided: "[This act] applies to any temporary preliminary decree or preliminary decree issued on or after [the effective date of this act]." Effective April 21, 1989.

**Cross-References**

Enforcement of final decree, 3-7-212.

**85-2-236. Certificate of water right.** (1) When a final decree is entered, the water judge shall send a copy to the department. Except as provided in 85-2-306, the department shall on the basis of the final decree issue a certificate of water right to each person decreed an existing right. The original of the certificate shall be sent to the person to whom the right is decreed. The department shall keep a copy of the certificate in its office in Helena.

(2) The department shall provide to the county clerk and recorder of the county wherein the point of diversion or place of use is located quarterly reports and an annual summary report of all certificates of water right issued by the department within the county.

**History:** **En. Sec. 26, Ch. 697, L. 1979; amd. Sec. 5, Ch. 448, L. 1983; amd. Sec. 1, Ch. 535, L. 1987.**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

Procedure to record documents, 7-4-2617.

Department duties, 85-2-112.

Certificate of water rights — permit process, 85-2-315.

**85-2-237. Reopening and review of decrees.** (1) The water judges shall by order reopen and review, within the limits set forth by the procedures described in this section, all preliminary or final decrees that have been issued by the water courts but have not been noticed throughout the water divisions.

(2) (a) Each order must state that the water judge will reopen the decree or decrees and, upon a hearing, review the water court's determination of any claim in the decree or decrees if an objection to the claim has been filed for the purpose of protecting rights to the use of water from sources:

(i) within the basin for which the decree was entered; or

(ii) in other basins that are hydrologically connected to sources within the basin for which the decree was entered.

(b) A person may not raise an objection to a matter in a reopened decree if he was a party to the matter when the matter was previously litigated and resolved as the result of the previous objection process, unless the objection is allowed for any of the following reasons:

(i) mistake, inadvertence, surprise, or excusable neglect;

(ii) newly discovered evidence that by due diligence could not have been discovered in time to move for a new trial under Rule 59(b), Montana Rules of Civil Procedure;

(iii) fraud, misrepresentation, or other misconduct of an adverse party;

(iv) the judgment is void;

(v) any other reason justifying relief from the operation of the judgment.

(c) The objection must be made in accordance with the procedure for filing objections under 85-2-233.

(3) The water judges shall serve notice by mail of the entry of the order providing for the reopening and review of a decree or decrees to the department and to the persons entitled to receive service of notice under 85-2-232(1).

(4) Notice of the reopening and review of a preliminary or final decree must also be published at least once each week for 3 consecutive weeks in at least three newspapers of general circulation which cover the water division or divisions in which the decreed basin is located.

(5) No objection may cause a reopening and review of a claim unless the objection is filed with the appropriate water court within 180 days after the issuance of the order under subsection (1). This period of time may, for good cause shown, be extended by the water judge for up to two 90-day periods if an application for extension is made within the original 180-day period or any extension of it.

(6) The water judge shall provide notice to the claimant of any timely objection to his claim and, after further reasonable notice to the claimant, the objector or objectors, and other interested persons, set the matter for hearing. The water judge may conduct individual or consolidated hearings, and any hearing must be conducted according to the Montana Rules of Civil Procedure. On an order of the water judge, a hearing may be conducted by a water master, who shall prepare a report of the hearing as provided in Rule 53(e), Montana Rules of Civil Procedure.

(7) The water judge shall, on the basis of any hearing held on the matter, take action as warranted from the evidence before him, including dismissal of the objection or modification of the portion of the decree describing the contested claim.

(8) An order or decree modifying a previously issued final decree as a result of procedures described in this section may be appealed in the same manner as provided for an appeal taken from a final order of a district court.

(9) An order or decree modifying a previously issued preliminary decree as a result of procedures described in this section may be appealed under 85-2-235 when the preliminary decree has been made a final decree.

**History: En. Sec. 1, Ch. 586, L. 1989.**

**Compiler's Comments**

*Retroactive Applicability:* Section 4, Ch. 586, L. 1989, provided: "[This act] applies retroactively, within the meaning of 1-2-209 [sic, 1-2-109], to all preliminary decrees and final decrees that have been issued by the Montana water courts prior to [the effective date of this act]." Effective April 21, 1989.

*Effective Date:* Section 5, Ch. 586, L. 1989, provided: "[This act] is effective on the latest date on which any of the following occur:

(1) passage and approval of [this act] [approved April 20, 1989], [Senate Bill No. 169 (LC 683)] [Chapter 605, approved April 21, 1989] or [Senate Bill No. 166 (LC 684)] [Chapter 604, approved April 21, 1989]; or

(2) a final determination of failure to receive passage and approval of [Senate Bill No. 169 (LC 683)] or [Senate Bill No. 166 (LC 684)]."

### 85-2-238 through 85-2-240 reserved.

**85-2-241. Water right adjudication account.** There is established a water right adjudication account in the state special revenue fund of the state treasury. All fees collected under this section and 85-2-232 shall be deposited in the account to pay the expenses incurred by the state for administering this part, part 7, and Title 3, chapter 7.

**History: En. Sec. 18, Ch. 697, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**
Fund structure, 17-2-102.

**85-2-242. Repealed.** Sec. 12, Ch. 651, L. 1987.
**History: En. Sec. 19, Ch. 697, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.**

**85-2-243. Department assistance to water judges.** (1) The department, subject to the direction of the water judge, shall:

(a) provide such information and assistance as may be required by the water judge to adjudicate claims of existing rights;

(b) establish information and assistance programs to aid claimants in the filing of claims for existing rights required by 85-2-221;

(c) conduct field investigations of claims that the water judge in consultation with the department determines warrant investigation; and

(d) provide the water judge with all information in its possession bearing upon existing rights, including all declarations filed with and all information gathered by the department with respect to existing rights in the Powder River Basin.

(2) Department assistance to a water judge must be without cost to the judicial districts wholly or partly within the affected water division. Expenses incurred by the department under subsection (1) must be paid from the money appropriated to it for the adjudication program by the legislature to carry out its function under subsection (1) and when that appropriation is expended then the department is no longer required to provide further assistance.
**History: En. Sec. 21, Ch. 697, L. 1979; amd. Sec. 8, Ch. 651, L. 1987.**

**Cross-References**
Department duties, 85-2-112.

## Part 3

## Appropriations, Permits, and Certificates of Water Rights

**Part Cross-References**
Recreational use of streams, Title 23, ch. 2, part 3.

**85-2-301. Right to appropriate.** (1) After July 1, 1973, a person may not appropriate water except as provided in this chapter. A person may only appropriate water for a beneficial use.

(2) (a) Only the department may appropriate water by permit in either of the following instances:

(i) for transport outside the following river basins:

(A) the Clark Fork River and its tributaries to its confluence with Lake Pend Oreille in Idaho;

(B) the Kootenai River and its tributaries to its confluence with Kootenay Lake in British Columbia;

(C) the St. Mary River and its tributaries to its confluence with the Oldman River in Alberta;

(D) the Little Missouri River and its tributaries to its confluence with Lake Sakakawea in North Dakota;

(E) the Missouri River and its tributaries to its confluence with the Yellowstone River in North Dakota; and

(F) the Yellowstone River and its tributaries to its confluence with the Missouri River in North Dakota; or

(ii) whenever water in excess of 4,000 acre-feet a year and 5.5 cubic feet per second, for any use, is to be consumed.

(b) Water for these purposes or in these amounts may be leased from the department by any person under the provisions of 85-2-141.

(3) A right to appropriate water may not be acquired by any other method, including by adverse use, adverse possession, prescription, or estoppel. The method prescribed by this chapter is exclusive.

**History: En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; R.C.M. 1947, 89-880(1); amd. Sec. 3, Ch. 573, L. 1985.**

**Cross-References**

State water plan, 85-1-203.

"Appropriate" defined, 85-2-102.

"Beneficial use" defined, 85-2-102.

Penalties, 85-2-122.

Priority, 85-2-401.

**85-2-302. Application for permit.** Except as otherwise provided in (1) through (3) of 85-2-306, a person may not appropriate water or commence construction of diversion, impoundment, withdrawal, or distribution works therefor except by applying for and receiving a permit from the department. The application shall be made on a form prescribed by the department. The department shall make the forms available through its offices and the offices of the county clerk and recorders. The department shall return a defective application for correction or completion, together with the reasons for returning it. An application does not lose priority of filing because of defects if the application is corrected, completed, and refiled with the department within 30 days after its return to the applicant or within a further time as the department may allow. If an application is not corrected and completed within 30 days or within a further time as the department allows, up to 3 months, the priority date of the application shall be the date of refiling the application with the corrections with the department. An application not corrected within 3 months shall be terminated.

**History: En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; R.C.M. 1947, 89-880(2); amd. Sec. 6, Ch. 448, L. 1983.**

**Cross-References**

Department duties, 85-2-112.

Priority, 85-2-401.

**85-2-303. Permit for conversion of nonproductive oil or gas well.** A person who desires to convert a nonproductive oil or gas well to a water well shall file a notice of completion or apply for a permit, depending on the maximum appropriation of the well, as otherwise provided in this chapter. The date of appropriation shall be the date of filing the notice of completion or the application for a permit.

**History: En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; R.C.M. 1947, 89-880(6); amd. Sec. 7, Ch. 448, L. 1983.**

**Cross-References**

Abandoned oil and gas wells — reclamation, Title 82, ch. 10, part 4.

Measurement of water, 85-2-103.

Priority, 85-2-401.

Production of water from oil and gas wells — hearings — jurisdiction of Board, 85-2-510.

**85-2-304. Appropriation by state board of land commissioners.** The state board of land commissioners may, through the department of natural resources and conservation, at its discretion, appropriate any available waters for use upon state lands and authorize the construction of irrigation works for these lands. The appropriation shall be made in the same way and under the same laws as those governing the appropriation of water by individuals.

**History: En. Sec. 2, Ch. 85, L. 1905; re-en. Sec. 2254, Rev. C. 1907; re-en. Sec. 1965, R.C.M. 1921; amd. Sec. 3, Ch. 280, L. 1965; amd. Sec. 113, Ch. 253, L. 1974; R.C.M. 1947, 81-2018.**

**Cross-References**

Development of state lands — types of developments, 77-1-605.

Department powers over state waters, 85-1-204.

Construction of works by Department, 85-1-206.

**85-2-305. Appropriation permit for reservoir.** A person intending to appropriate water by means of a reservoir shall apply for a permit as prescribed in this chapter.

**History: En. Sec. 25, Ch. 452, L. 1973; R.C.M. 1947, 89-889.**

**85-2-306. Exceptions to permit requirements.** (1) Groundwater may be appropriated only by a person who has a possessory interest in the property where the water is to be put to beneficial use and exclusive property rights in the groundwater development works or, if another person has rights in the groundwater development works, the written consent of the person with those property rights. Outside the boundaries of a controlled groundwater area, a permit is not required before appropriating groundwater by means of a well or developed spring with a maximum appropriation of less than 100 gallons per minute, except that a combined appropriation from the same source from two or more wells or developed springs exceeding this limitation requires a permit. Within 60 days of completion of the well or developed spring and appropriation of the groundwater for beneficial use, the appropriator shall file a notice of completion with the department on a form provided by the department at its offices and at the offices of the county clerk and recorders. Upon receipt of the notice, the department shall review the notice and may, before issuing a certificate of water right, return a defective notice for correction or completion, together with the reasons for returning it. A notice does not lose priority of filing because of defects if the notice is corrected, completed, and refiled with the department within 30 days or within a further time as the department may allow, not to exceed 6 months. If a notice is not corrected and completed within the time allowed, the priority date of appropriation shall be the date of refiling a correct and complete notice with the department. A certificate of water right may not be issued until a correct and complete notice has been filed with the department. The original of the certificate shall be sent to the appropriator. The department shall keep a copy of the certificate in its office in Helena. The date of filing of the notice of completion is the date of priority of the right.

(2) An appropriator of groundwater by means of a well or developed spring first put to beneficial use between January 1, 1962, and July 1, 1973, who did not file a notice of completion, as required by laws in force prior to April 14, 1981, with the county clerk and recorder shall file a notice of completion, as provided in subsection (1) of this section, with the department to

perfect the water right. The filing of a claim of existing water right pursuant to 85-2-221 is sufficient notice of completion under this subsection. The priority date of the appropriation shall be the date of the filing of a notice as provided in subsection (1) of this section or the date of the filing of the claim of existing water right. An appropriation under this subsection is an existing right, and a permit is not required; however, the department shall acknowledge the receipt of a correct and complete filing of a notice of completion, except that for an appropriation of less than 100 gallons per minute, the department shall issue a certificate of water right. If a certificate is issued under this section, a certificate need not be issued under the adjudication proceedings provided for in 85-2-236.

(3) A permit is not required before constructing an impoundment or pit and appropriating water for use by livestock if the maximum capacity of the impoundment or pit is less than 15 acre-feet and the appropriation is less than 30 acre-feet per year and is from a source other than a perennial flowing stream and the impoundment or pit is to be constructed on and will be accessible to a parcel of land that is owned or under the control of the applicant and that is 40 acres or larger. As used in this subsection, a perennial flowing stream means a stream which historically has flowed continuously at all seasons of the year, during dry as well as wet years. However, within 60 days after constructing the impoundment or pit, the appropriator shall apply for a permit as prescribed by this part. Upon receipt of a correct and complete application for a stockwater provisional permit, the department shall then automatically issue a provisional permit. If the department determines after a hearing that the rights of other appropriators have been or will be adversely affected, it may revoke the permit or require the permittee to modify the impoundment or pit and may then make the permit subject to such terms, conditions, restrictions, or limitations it considers necessary to protect the rights of other appropriators.

(4) A person may also appropriate water without applying for or prior to receiving a permit under rules adopted by the board under 85-2-113.

**History: En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; R.C.M. 1947, 89-880(5), (7); amd. Sec. 1, Ch. 30, L. 1981; amd. Sec. 1, Ch. 160, L. 1981; amd. Sec. 1, Ch. 357, L. 1981; amd. Sec. 8, Ch. 448, L. 1983; amd. Sec. 1, Ch. 499, L. 1985; amd. Sec. 2, Ch. 535, L. 1987; amd. Sec. 1, Ch. 432, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), after "person who has", deleted "either", inserted clause relating to a possessory interest, and after "or" inserted clause relating to another's rights in groundwater development works. Amendment effective April 4, 1989.

**Cross-References**

Ground water, Title 85, ch. 2, part 5.

**85-2-307. Notice of application.** (1) (a) Upon receipt of a proper application for a permit, the department shall prepare a notice containing the facts pertinent to the application and shall publish the notice once in a newspaper of general circulation in the area of the source.

(b) Before the date of publication, the department shall also serve the notice by first-class mail upon:

(i) an appropriator of water or applicant for or holder of a permit who, according to the records of the department, may be affected by the proposed appropriation;

(ii) any purchaser under contract for deed, as defined in 70-20-115, of property that, according to the records of the department, may be affected by the proposed appropriation; and

(iii) any public agency that has reserved waters in the source under 85-2-316.

(c) The department may, in its discretion, also serve notice upon any state agency or other person the department feels may be interested in or affected by the proposed appropriation.

(d) The department shall file in its records proof of service by affidavit of the publisher in the case of notice by publication and by its own affidavit in the case of service by mail.

(2) The notice shall state that by a date set by the department (not less than 15 days or more than 60 days after the date of publication) persons may file with the department written objections to the application.

(3) The requirements of subsections (1) and (2) of this section do not apply if the department finds, on the basis of information reasonably available to it, that the appropriation as proposed in the application will not adversely affect the rights of other persons.

**History: En. Sec. 17, Ch. 452, L. 1973; amd. Sec. 9, Ch. 485, L. 1975; R.C.M. 1947, 89-881; amd. Sec. 2, Ch. 357, L. 1981; amd. Sec. 9, Ch. 448, L. 1983; amd. Sec. 29, Ch. 526, L. 1983; amd. Sec. 3, Ch. 535, L. 1987.**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Changes in appropriation rights, 85-2-402.

Transfer of appropriation rights, 85-2-403.

**85-2-308. Objections.** (1) An objection to an application must be filed by the date specified by the department under 85-2-307(2).

(2) The objection must state the name and address of the objector and facts tending to show that there are no unappropriated waters in the proposed source, that the proposed means of appropriation are inadequate, that the property, water rights, or interests of the objector would be adversely affected by the proposed appropriation, that the proposed use of water is not a beneficial use, or that the proposed use will interfere unreasonably with other planned uses or developments for which a permit has been issued or for which water has been reserved.

**History: En. Sec. 18, Ch. 452, L. 1973; R.C.M. 1947, 89-882; amd. Sec. 10, Ch. 448, L. 1983.**

**Cross-References**

Administrative proceedings, 85-2-121.

Changes in appropriation rights, 85-2-402.

Transfer of appropriation rights, 85-2-403.

**85-2-309. Hearings on objections — jurisdiction.** (1) If the department determines that an objection to an application for a permit or change approval under 85-2-402 states a valid objection, it shall hold a public hearing on the objection within 60 days from the date set by the department for the filing of objections, after serving notice of the hearing by certified mail upon the applicant and the objector, unless the department certifies an issue to the district court for determination by a water judge under subsection (2). The department may consolidate hearings if more than one objection is filed to an application. The department shall file in its records proof of the service by affidavit of the department.

(2) (a) At any time prior to commencement or before the conclusion of a hearing as provided in subsection (1), the department may in its discretion certify to the district court all factual and legal issues involving the adjudication or determination of the water rights at issue in the hearing, including but not limited to issues of abandonment, quantification, or relative priority dates. If the department fails to certify an issue as provided in this section after a timely request by a party to the hearing, the department shall include its denial to certify as part of the record of the hearing.

(b) Upon determination of the issues certified to it by the department, the court shall remand the matter to the department for further processing of the application under this chapter.

(3) Subsection (2) does not apply in the case of a matter considered at a hearing under this section pursuant to 85-2-316 or 85-2-322.

**History:** **En. Sec. 19, Ch. 452, L. 1973; R.C.M. 1947, 89-883; amd. Sec. 6, Ch. 596, L. 1985.**

**Cross-References**

Duties of chief water judge, 3-7-223.

Water courts — jurisdiction, 3-7-501.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Administrative proceedings, 85-2-121.

**85-2-310. Action on application.** (1) The department shall grant, deny, or condition an application for a permit in whole or in part within 120 days after the last date of publication of the notice of application if no objections have been received and within 180 days if a hearing is held or objections have been received. However, in either case the time may be extended upon agreement of the applicant, or, in those cases where an environmental impact statement must be prepared or in other extraordinary cases, not more than 60 days upon order of the department. If the department orders the time extended, it shall serve a notice of the extension and the reasons therefor by certified mail upon the applicant and each person who has filed an objection as provided by 85-2-308.

(2) However, an application may not be approved in a modified form or upon terms, conditions, or limitations specified by the department or denied, unless the applicant is first granted an opportunity to be heard. If no objection is filed against the application but the department is of the opinion that the application should be approved in a modified form or upon terms, conditions, or limitations specified by it or that the application should be denied, the department shall prepare a statement of its opinion and the reasons therefor. The department shall serve a statement of its opinion by certified mail upon the applicant, together with a notice that the applicant may obtain a hearing by filing a request therefor within 30 days after the notice is mailed. The notice shall further state that the application will be modified in a specified manner or denied, unless a hearing is requested.

(3) The department may cease action upon an application for a permit and return it to the applicant when it finds that the application is not in good faith or does not show a bona fide intent to appropriate water for a beneficial use. An application returned for any of these reasons shall be accompanied by a statement of the reasons for which it was returned, and there shall be no right to a priority date based upon the filing of the application. Returning an application pursuant to this subsection shall be deemed a final decision of the department.

(4) For all applications filed after July 1, 1973, the department shall find that an application is not in good faith or does not show a bona fide intent to appropriate water for a beneficial use if:

(a) an application is not corrected and completed as required by 85-2-302;

(b) the appropriate filing fee is not paid;

(c) the application does not document:

(i) a beneficial use of water;

(ii) the proposed place of use of all water applied for;

(iii) for an appropriation of 4,000 acre-feet a year or more and 5.5 cubic feet per second or more, a detailed project plan describing when and how much water will be put to a beneficial use. The project plan must include a reasonable time line, not to exceed 10 years from the time of issuance of a permit, for the completion of the project and the actual application of the water to a beneficial use.

(iv) for appropriations not covered in subsection (4)(c)(iii), a general project plan stating when and how much water will be put to a beneficial use; and

(v) if the water applied for is to be appropriated above that which will be used solely by the applicant or if it will be marketed by the applicant to other users, information detailing:

(A) each person who will use the water and the amount of water each person will use;

(B) the proposed place of use of all water by each person;

(C) the nature of the relationship between the applicant and each person using the water; and

(D) each firm contractual agreement for the specified amount of water for each person using the water; or

(d) the appropriate environmental impact statement fee, if any, is not paid as required by 85-2-124.

**History:** **(1), (2)En. Sec. 20, Ch. 452, L. 1973; amd. Sec. 10, Ch. 485, L. 1975; amd. Sec. 5, Ch. 416, L. 1977; Sec. 89-884, R.C.M. 1947 (3)En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; Sec. 89-880, R.C.M. 1947; R.C.M. 1947, 89-880(3), 89-884; amd. Sec. 3, Ch. 357, L. 1981; amd. Sec. 1, Ch. 399, L. 1985; amd. Sec. 4, Ch. 535, L. 1987.**

**Cross-References**

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Fees for environmental impact statements, 85-2-124.

Priority, 85-2-401.

**85-2-311. Criteria for issuance of permit.** (1) Except as provided in subsections (2) and (3), the department shall issue a permit if the applicant proves by substantial credible evidence that the following criteria are met:

(a) there are unappropriated waters in the source of supply at the proposed point of diversion:

(i) at times when the water can be put to the use proposed by the applicant;

(ii) in the amount the applicant seeks to appropriate; and

(iii) during the period in which the applicant seeks to appropriate, the amount requested is reasonably available;

(b) the water rights of a prior appropriator will not be adversely affected;

(c) the proposed means of diversion, construction, and operation of the appropriation works are adequate;

(d) the proposed use of water is a beneficial use;

(e) the proposed use will not interfere unreasonably with other planned uses or developments for which a permit has been issued or for which water has been reserved; and

(f) the applicant has a possessory interest, or the written consent of the person with the possessory interest, in the property where the water is to be put to beneficial use.

(2) The department may not issue a permit for an appropriation of 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water unless the applicant proves by clear and convincing evidence that:

(a) the criteria in subsection (1) are met;

(b) the rights of a prior appropriator will not be adversely affected;

(c) the proposed appropriation is a reasonable use. Such a finding shall be based on a consideration of the following:

(i) the existing demands on the state water supply, as well as projected demands such as reservations of water for future beneficial purposes, including municipal water supplies, irrigation systems, and minimum streamflows for the protection of existing water rights and aquatic life;

(ii) the benefits to the applicant and the state;

(iii) the effects on the quantity and quality of water for existing beneficial uses in the source of supply;

(iv) the availability and feasibility of using low-quality water for the purpose for which application has been made;

(v) the effects on private property rights by any creation of or contribution to saline seep; and

(vi) the probable significant adverse environmental impacts of the proposed use of water as determined by the department pursuant to Title 75, chapter 1, or Title 75, chapter 20.

(3) (a) The state of Montana has long recognized the importance of conserving its public waters and the necessity to maintain adequate water supplies for the state's water requirements, including requirements for reserved water rights held by the United States for federal reserved lands and in trust for the various Indian tribes within the state's boundaries. Although the state of Montana also recognizes that, under appropriate conditions, the out-of-state transportation and use of its public waters are not in conflict with the public welfare of its citizens or the conservation of its waters, the criteria in this subsection (3) must be met before out-of-state use may occur.

(b) The department may not issue a permit for the appropriation of water for withdrawal and transportation for use outside the state unless the applicant proves by clear and convincing evidence that:

(i) depending on the volume of water diverted or consumed, the applicable criteria and procedures of subsection (1) or (2) are met;

(ii) the proposed out-of-state use of water is not contrary to water conservation in Montana; and

(iii) the proposed out-of-state use of water is not otherwise detrimental to the public welfare of the citizens of Montana.

(c) In determining whether the applicant has proved by clear and convincing evidence that the requirements of subsections (3)(b)(ii) and (3)(b)(iii) are met, the department shall consider the following factors:

(i) whether there are present or projected water shortages within the state of Montana;

(ii) whether the water that is the subject of the application could feasibly be transported to alleviate water shortages within the state of Montana;

(iii) the supply and sources of water available to the applicant in the state where the applicant intends to use the water; and

(iv) the demands placed on the applicant's supply in the state where the applicant intends to use the water.

(d) When applying for a permit or a lease to withdraw and transport water for use outside the state, the applicant shall submit to and comply with the laws of the state of Montana governing the appropriation, lease, and use of water.

(4) To meet the substantial credible evidence standard in this section, the applicant shall submit independent hydrologic or other evidence, including water supply data, field reports, and other information developed by the department, the U.S. geological survey, or the U.S. soil conservation service and other specific field studies, demonstrating that the criteria are met.

(5) An appropriation, diversion, impoundment, use, restraint, or attempted appropriation, diversion, impoundment, use, or restraint contrary to the provisions of this section is invalid. An officer, agent, agency, or employee of the state may not knowingly permit, aid, or assist in any manner an unauthorized appropriation, diversion, impoundment, use, or other restraint. A person or corporation may not, directly or indirectly, personally or through an agent, officer, or employee, attempt to appropriate, divert, impound, use, or otherwise restrain or control waters within the boundaries of this state except in accordance with this section.

**History: En. Sec. 21, Ch. 452, L. 1973; amd. Sec. 1, Ch. 156, L. 1975; amd. Sec. 1, Ch. 307, L. 1977; amd. Sec. 6, Ch. 416, L. 1977; R.C.M. 1947, 89-885; amd. Sec. 4, Ch. 357, L. 1981; amd. Sec. 11, Ch. 448, L. 1983; amd. Sec. 2, Ch. 706, L. 1983; amd. Sec. 4, Ch. 573, L. 1985; amd. Sec. 2, Ch. 432, L. 1989; amd. Sec. 1, Ch. 495, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 432 at end of (1)(a) inserted "at the proposed point of diversion"; near end of (1)(a)(iii), before "available", inserted "reasonably"; inserted (1)(f) relating to possessory interest; and made minor changes in phraseology. Amendment effective April 4, 1989.

Chapter 495 in (1) substituted "subsections (2) and (3)" for "subsections (2) through (4)"; inserted (4) relating to evidence necessary to meet the substantial credible evidence standard; and made minor changes in phraseology. Amendment effective April 11, 1989.

**Cross-References**

Declaration of policy and purpose, 85-2-101.

Definition of beneficial use, 85-2-102.

Controlled ground water areas — permits to appropriate, 85-2-508.

**85-2-312. Terms of permit.** (1) The department may issue a permit for less than the amount of water requested, but in no case may it issue a permit for more water than is requested or than can be beneficially used without waste for the purpose stated in the application. The department may require modification of plans and specifications for the appropriation or related diversion or construction. The department may issue a permit subject to terms, conditions, restrictions, and limitations it considers necessary to satisfy the criteria listed in 85-2-311, and it may issue temporary or seasonal permits. A permit shall be issued subject to existing rights and any final determination of those rights made under this chapter.

(2) The department shall specify in the permit or in any authorized extension of time provided in subsection (3), the time limits for commencement of

the appropriation works, completion of construction, and actual application of the water to the proposed beneficial use. In fixing those time limits, the department shall consider the cost and magnitude of the project, the engineering and physical features to be encountered, and, on projects designed for gradual development and gradually increased use of water, the time reasonably necessary for that gradual development and increased use. The department shall issue the permit or authorized extension of time subject to the terms, conditions, restrictions, and limitations it considers necessary to ensure that the work on the appropriation is commenced, conducted, and completed and that the water is actually applied in a timely manner to the beneficial use specified in the permit.

(3) The department may, upon a showing of good cause, extend time limits specified in the permit for commencement of the appropriation works, completion of construction, and actual application of the water to the proposed beneficial use. All requests for extensions of time must be by affidavit and must be filed with the department prior to the expiration of the time limit specified in the permit or any previously authorized extension of time. The department may issue an order temporarily extending the time limit specified in the permit for 120 days or until the department has completed its action under this section, whichever is greater. Upon receipt of a proper request for extension of time, the department shall prepare a notice containing the facts pertinent to the request for extension of time and shall publish the notice in a newspaper of general circulation in the area of the source. The department may serve notice by first-class mail upon any public agency or other person the department determines may be interested in or affected by the request for extension of time. The department shall hold a hearing on the request for extension of time on its own motion or if requested by an interested party. The department may grant the extension of time in the absence of a hearing if no requests for a hearing are received and the extension of time is granted as requested, or the department may grant the extension of time in a modified form by following the process established in 85-2-310(2). Subsequent extensions of time may be made in the same manner.

(4) The original of the permit shall be sent to the permittee, and a copy shall be kept in the office of the department in Helena.

(5) The department shall provide to the county clerk and recorder of the county wherein the point of diversion or place of use is located quarterly reports and an annual summary report of all water right permits, certificates, and change approvals issued by the department within the county.

**History: En. Sec. 22, Ch. 452, L. 1973; R.C.M. 1947, 89-886; amd. Sec. 12, Ch. 448, L. 1983; amd. Sec. 5, Ch. 573, L. 1985; amd. Sec. 5, Ch. 535, L. 1987.**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

**85-2-313. Provisional permit.** A permit issued prior to a final determination of existing rights is provisional and is subject to that final determination. The amount of the appropriation granted in a provisional permit shall be reduced or modified where necessary to protect and guarantee existing rights determined in the final decree. A person may not obtain any vested right to an appropriation obtained under a provisional permit by virtue of construction of diversion works, purchase of equipment to apply water, planting of crops, or other action where the permit would have been denied or modified if the final decree had been available to the department.

**History: En. Sec. 16, Ch. 452, L. 1973; amd. Sec. 2, Ch. 238, L. 1974; amd. Sec. 8, Ch. 485, L. 1975; amd. Sec. 4, Ch. 416, L. 1977; amd. Sec. 1, Ch. 470, L. 1977; R.C.M. 1947, 89-880(4).**

**Cross-References**

Priority, 85-2-401.

**85-2-314. Revocation or modification of permit.** If the work on an appropriation is not commenced, prosecuted, or completed within the time stated in the permit or an extension thereof or if the water is not being applied to the beneficial use contemplated in the permit or if the permit is otherwise not being followed, the department may, after notice, require the permittee to show cause why the permit should not be modified or revoked. If the permittee fails to show sufficient cause, the department may modify or revoke the permit.

**History: En. Sec. 23, Ch. 452, L. 1973; R.C.M. 1947, 89-887; amd. Sec. 13, Ch. 448, L. 1983.**

**Cross-References**

Due process, Art. II, sec. 17, Mont. Const.

Beneficial use defined, 85-2-102.

**85-2-315. Certificate of water right.** (1) Upon actual application of water to the proposed beneficial use within the time allowed, the permittee shall notify the department that the appropriation has been properly completed. The department may then inspect the appropriation, and if it determines that the appropriation has been completed in substantial accordance with the permit, it shall issue the permittee a certificate of water right. The original of the certificate shall be sent to the permittee, and a duplicate shall be kept in the office of the department in Helena.

(2) The department shall provide to the county clerk and recorder of the county wherein the point of diversion or place of use is located quarterly reports and an annual summary report of all certificates of water right issued by the department within the county.

**History: En. Sec. 24, Ch. 452, L. 1973; R.C.M. 1947, 89-888; amd. Sec. 14, Ch. 448, L. 1983.**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

Department duties, 85-2-112.

Certificate of water right, 85-2-236.

**85-2-316. Reservation of waters.** (1) The state or any political subdivision or agency thereof or the United States or any agency thereof may apply to the board to reserve waters for existing or future beneficial uses or to maintain a minimum flow, level, or quality of water throughout the year or at periods or for a length of time as the board designates.

(2) (a) Water may be reserved for existing or future beneficial uses in the basin where it is reserved, as described by the following basins:

(i) the Clark Fork River and its tributaries to its confluence with Lake Pend Oreille in Idaho;

(ii) the Kootenai River and its tributaries to its confluence with Kootenay Lake in British Columbia;

(iii) the St. Mary River and its tributaries to its confluence with the Oldman River in Alberta;

(iv) the Little Missouri River and its tributaries to its confluence with Lake Sakakawea in North Dakota;

(v) the Missouri River and its tributaries to its confluence with the Yellowstone River in North Dakota; and

(vi) the Yellowstone River and its tributaries to its confluence with the Missouri River in North Dakota.

(b) A water reservation may be made for an existing or future beneficial use outside the basin where the diversion occurs only if stored water is not reasonably available for water leasing under 85-2-141 and the proposed use would occur in a basin designated in subsection (2)(a).

(3) Upon receiving an application, the department shall proceed in accordance with 85-2-307 through 85-2-309. After the hearing provided in 85-2-309, the board shall decide whether to reserve the water for the applicant. The department's costs of giving notice, holding the hearing, conducting investigations, and making records incurred in acting upon the application to reserve water, except the cost of salaries of the department's personnel, must be paid by the applicant. In addition, a reasonable proportion of the department's cost of preparing an environmental impact statement must be paid by the applicant unless waived by the department upon a showing of good cause by the applicant.

(4) (a) The board may not adopt an order reserving water unless the applicant establishes to the satisfaction of the board:

(i) the purpose of the reservation;

(ii) the need for the reservation;

(iii) the amount of water necessary for the purpose of the reservation;

(iv) that the reservation is in the public interest.

(b) In determining the public interest under subsection (4)(a)(iv), the board may not adopt an order reserving water for withdrawal and transport for use outside the state unless the applicant proves by clear and convincing evidence that:

(i) the proposed out-of-state use of water is not contrary to water conservation in Montana; and

(ii) the proposed out-of-state use of water is not otherwise detrimental to the public welfare of the citizens of Montana.

(c) In determining whether the applicant has proved by clear and convincing evidence that the requirements of subsections (4)(b)(i) and (4)(b)(ii) are met, the board shall consider the following factors:

(i) whether there are present or projected water shortages within the state of Montana;

(ii) whether the water that is the subject of the application could feasibly be transported to alleviate water shortages within the state of Montana;

(iii) the supply and sources of water available to the applicant in the state where the applicant intends to use the water; and

(iv) the demands placed on the applicant's supply in the state where the applicant intends to use the water.

(d) When applying for a reservation to withdraw and transport water for use outside the state, the applicant shall submit to and comply with the laws of the state of Montana governing the appropriation, lease, use, and reservation of water.

(5) If the purpose of the reservation requires construction of a storage or diversion facility, the applicant shall establish to the satisfaction of the board

that there will be progress toward completion of the facility and accomplishment of the purpose with reasonable diligence in accordance with an established plan.

(6) The board shall limit any reservations after May 9, 1979, for maintenance of minimum flow, level, or quality of water that it awards at any point on a stream or river to a maximum of 50% of the average annual flow of record on gauged streams. Ungauged streams can be allocated at the discretion of the board.

(7) After the adoption of an order reserving waters, the department may reject an application and refuse a permit for the appropriation of reserved waters or may, with the approval of the board, issue the permit subject to terms and conditions it considers necessary for the protection of the objectives of the reservation.

(8) Any person desiring to use water reserved to a conservation district for agricultural purposes shall make application for the use with the district, and the district, upon approval of the application, shall inform the department of the approved use. The department shall maintain records of all uses of water reserved to conservation districts and be responsible, when requested by the districts, for rendering technical and administrative assistance within the department's staffing and budgeting limitations in the preparation and processing of such applications for the conservation districts. The department shall, within its staffing and budgeting limitations, complete any feasibility study requested by the districts within 12 months of the time the request was made. The board shall extend the time allowed to develop a plan identifying projects for utilizing a district's reservation so long as the conservation district makes a good faith effort, within its staffing and budget limitations, to develop a plan.

(9) Except as provided in 85-2-331, the priority of appropriation of a water reservation and the relative priority of the reservation to permits with a later priority of appropriation must be determined according to this subsection (9).

(a) A reservation under this section has a priority of appropriation dating from the filing with the department of a notice of intention to apply for a water reservation in a basin in which no other notice of intention to apply is currently pending. The notice of intention to apply must specify the basin in which the applicant is seeking a reservation.

(b) Upon receiving a notice of intention to apply for a water reservation, the department shall identify all potential water reservation applicants in the basin specified in the notice and notify each potential applicant of the opportunity to submit an application and to receive a reservation with the priority of appropriation as described in subsection (9)(a).

(c) To receive the priority of appropriation described in subsection (9)(a), the applicant shall submit a correct and complete water reservation application within 1 year after the filing of the notice of intention to apply. Upon a showing of good cause, the board may extend the time for preparing the application.

(d) The board may by order subordinate a water reservation to a permit issued pursuant to this part if:

(i) the permit application was accepted by the department before the date of the board order granting the reservation; and

(ii) the effect of subordinating the reservation to one or more permits does not interfere substantially with the purpose of the reservation.

(e) The board shall by order establish the relative priority of reservations approved under this section that have the same day of priority. A reservation may not adversely affect any rights in existence at that time.

(10) The board shall, periodically but at least once every 10 years, review existing reservations to ensure that the objectives of the reservation are being met. Where the objectives of the reservation are not being met, the board may extend, revoke, or modify the reservation.

(11) The board may modify an existing or future order originally adopted to reserve water for the purpose of maintaining minimum flow, level, or quality of water, so as to reallocate the reservation or portion of the reservation to an applicant who is a qualified reservant under this section. Reallocation of reserved water may be made by the board following notice and hearing wherein the board finds that all or part of the reservation is not required for its purpose and that the need for the reallocation has been shown by the applicant to outweigh the need shown by the original reservant. Reallocation of reserved water may not adversely affect the priority date of the reservation, and the reservation shall retain its priority date despite reallocation to a different entity for a different use. The board may not reallocate water reserved under this section on any stream or river more frequently than once every 5 years.

(12) Nothing in this section vests the board with the authority to alter a water right that is not a reservation.

(13) The department shall undertake a program to educate the public, other state agencies, and political subdivisions of the state as to the benefits of the reservation process and the procedures to be followed to secure the reservation of water. The department shall provide technical assistance to other state agencies and political subdivisions in applying for reservations under this section.

(14) Water reserved under this section is not subject to the state water leasing program established under 85-2-141.

**History: En. Sec. 26, Ch. 452, L. 1973; amd. Sec. 11, Ch. 485, L. 1975; amd. Sec. 7, Ch. 416, L. 1977; R.C.M. 1947, 89-890; amd. Sec. 1, Ch. 689, L. 1979; amd. Sec. 1, Ch. 186, L. 1981; amd. Sec. 6, Ch. 357, L. 1981; amd. Sec. 15, Ch. 573, L. 1985; amd. Sec. 1, Ch. 197, L. 1987; amd. Sec. 1, Ch. 389, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Substituted (9) relating to determination of priority of appropriation of a water reservation and relative priority of the reservation to permits with a later priority for former (9) that read: "(9) A reservation under this section shall date from the date the order reserving the water is adopted by the board and shall not adversely affect any rights in existence at that time"; and made minor changes in phraseology and punctuation.

*Applicability:* Section 3, Ch. 389, L. 1989, provided: "[This act] does not apply to existing water reservations or to water reservation applications filed with the department of natural resources and conservation before October 1, 1989."

**Cross-References**

Board powers and duties, 85-2-113.

Reservations within Missouri River Basin, 85-2-331.

Suspension of action, 85-2-603.

Reservations, 85-2-605.

Conservancy districts — general provisions, Title 85, ch. 9, part 1.

**85-2-317. Limitation on appropriation of ground water.** (1) After May 7, 1979, no application for a permit to appropriate ground water in excess of 3,000 acre feet per year may be granted, except pursuant to an act of the legislature permitting the specific appropriation.

(2) Subsection (1) applies to any permit to appropriate ground water for which application has been made but which has not been granted as of May 7, 1979.

(3) This section does not apply to appropriations by municipalities for municipal use or to appropriations for public water supplies as defined in 75-6-102 or to appropriations for the irrigation of cropland owned and operated by the applicant.

(4) Any person, association, corporation, or other entity that applies for a permit to appropriate ground water, singularly or collectively, for the purpose of circumventing this section is punishable by a fine not exceeding $5,000.

**History:** **En. Secs. 2, 4, Ch. 631, L. 1979.**

**Compiler's Comments**

*Authorization to Issue Interim Permit to Appropriate Ground Water:* Section 1, Ch. 524, L. 1989, provided: "Pursuant to 85-2-317(1), the department of natural resources and conservation may authorize an interim permit for a period ending no later than September 30, 1991, to the Deadman Basin water users association to appropriate ground water up to 6,000 acre-feet per year from abandoned coal mines in Musselshell County. The application and interim permit are subject to the remaining provisions of Title 85, chapter 2, part 3."

**Cross-References**

Public water supply, Title 75, ch. 6, part 1.

**85-2-318. Water right appropriation account.** There is established a water right appropriation account in the state special revenue fund of the state treasury. All fees collected as provided in 85-2-113 shall be deposited in the account to help pay the expenses incurred by the department for administering and enforcing this part, part 1, part 4, and part 5 of chapter 2, Title 85, and Title 37, chapter 43.

**History:** **En. Sec. 5, Ch. 357, L. 1981; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 6, Ch. 535, L. 1987.**

**Cross-References**

Fund structure, 17-2-102.

**85-2-319. Permit action in highly appropriated basins or subbasins.** (1) The legislature may by law preclude permit applications, or the department may by rule reject permit applications or modify or condition permits issued in a highly appropriated basin or subbasin.

(2) A rule may be adopted under this section only upon a petition signed by at least 25% or 10, whichever is less, of the users of water in the source of supply within a basin or subbasin. The petition must be in a form as prescribed by the department and must allege facts showing that throughout or at certain times of the year or for certain beneficial uses:

(a) there are no unappropriated waters in the source of supply;

(b) the rights of prior appropriators will be adversely affected; or

(c) further uses will interfere unreasonably with other planned uses or developments for which a permit has been issued or for which water has been reserved.

(3) Within 60 days after submission of a petition, the department shall:

(a) deny the petition in writing, stating its reasons for denial;

(b) inform the petitioners that the department must study the allegations further before denying or proceeding further with the petition; or

(c) initiate rulemaking proceedings in accordance with 2-4-302 through 2-4-305.

(4) Title 2, chapter 4, parts 1 through 4, govern rulemaking proceedings conducted under this section, except that in addition to the notice requirements of those parts, the department notice of the rulemaking hearing must be published at least once in each week for 3 successive weeks, not less than 30 days before the date of the hearing, in a newspaper of general circulation in the county or counties in which the source is located. The department shall serve by mail a copy of the notice, not less than 30 days before the hearing, upon each person or public agency known from the examination of the records of the department to be a claimant, appropriator, or permitholder of water in the source.

**History:** **En. Sec. 17, Ch. 448, L. 1983.**

**Cross-References**

Petition for rulemaking, 2-4-315.

Department duties, 85-2-112.

Board powers and duties, 85-2-113.

**85-2-320 reserved.**

**85-2-321. Milk River Basin — suspension of action on permits — proposal — priority in adjudication process.** (1) (a) In order to balance the need for the continued development of Montana's water and for protection of existing rights in the Milk River Basin, the department may suspend action on a class of applications or may close a source in the basin and refuse to accept a class of applications, or both, for a permit under this part to appropriate from that source in the basin.

(b) Suspension or closure, or both, may only be proposed by the department.

(c) The proposal must state the source in the basin and class of applications for which suspension or closure, or both, is being proposed and any of the following allegations:

(i) that the frequency of occurrence of unappropriated waters is such that:

(A) any new appropriation from the source for the class of applications will adversely affect the rights of a prior appropriation from the source; or

(B) any new appropriation from the source for the class of applications will interfere unreasonably with another planned use or development for which a permit has been given or for which water has been reserved in the source; or

(ii) that significant disputes or enforcement problems regarding priority of rights or amounts or duration of water in use by appropriators are in progress or will arise.

(2) After April 8, 1985, the chief water judge shall make issuance of a temporary preliminary decree in the Milk River Basin the highest priority in the adjudication of existing water rights pursuant to Title 85, chapter 2, part 2.

**History:** **En. Sec. 1, Ch. 524, L. 1981; amd. Sec. 2, Ch. 394, L. 1985.**

**85-2-322. Hearing — order.** (1) The department shall conduct a hearing on the proposed suspension or closure, or both. Notice of the hearing must be published at least once in each week for 3 successive weeks, not less than 30 days before the date of the hearing, in a newspaper of general circulation in the county or counties in which the source is located. The department shall serve by mail a copy of the notice and proposal not less than 30 days before the hearing upon each person or public agency known from the examination of the records of the department to be a claimant, appropriator, or permitholder of water in the source.

(2) The department may by order suspend action on and shall close the source and refuse to accept a class of applications if it finds on the basis of the hearing that there is substantial evidence in support of the allegations required by 85-2-321 to be contained in the proposal.

(3) As part of fulfilling the requirements of 2-4-623, the order must define the source and must state the class of applications to which the suspension or closure, or both, applies.

(4) Upon adoption of the order, the department shall refuse to accept any application for a permit under this part for the class of application for which closure is ordered under this section and 85-2-321. If the order suspends action on pending applications, the department shall notify the applicant that action on his application is suspended.

(5) Upon notice under 85-2-307 of intent to combine the hearings under 85-2-309 with the hearings under this section, the department may suspend action on pending applications of the class until the hearing is conducted under this section and, as part of its final order, may grant, deny, or condition the applications under 85-2-306(3), 85-2-310, and 85-2-311 or continue the suspension under this section.

**History:** **En. Sec. 2, Ch. 524, L. 1981; amd. Sec. 145, Ch. 370, L. 1987.**

**85-2-323. Request to modify suspension — order.** (1) A person or public agency may request that an order be modified or revoked. The request must contain allegations supported by substantial evidence showing that the criteria in 85-2-311 can be met for an application or a class of applications from the source. If not so supported, the department may reject the request without a hearing.

(2) The department may by order after a hearing modify or revoke any order made as provided in 85-2-321 and 85-2-322 upon such notice and in such manner as is reasonable under the circumstances.

**History:** **En. Sec. 3, Ch. 524, L. 1981.**

**85-2-324 through 85-2-330 reserved.**

**85-2-331. Reservations within Missouri River basin and Little Missouri River basin.** (1) The state or any agency or political subdivision thereof or the United States or any agency thereof that desires to apply for a reservation of water in the Missouri River basin or in the Little Missouri River basin shall file an application pursuant to 85-2-316 no later than:

(a) July 1, 1989, for reservation of water above Fort Peck dam; or

(b) July 1, 1991, for reservation of water below Fort Peck dam and in the Little Missouri River basin.

(2) Subject to legislative appropriation, the department shall provide technical and financial assistance to other state agencies and political subdivisions in applying for reservations within the Missouri River basin and the Little Missouri River basin.

(3) (a) Before July 1, 1992, the board shall make a final determination in accordance with 85-2-316 on all applications filed before July 1, 1989, for reservations of water in the Missouri River basin above Fort Peck dam.

(b) Before December 31, 1993, the board shall make a final determination in accordance with 85-2-316 on all applications filed before July 1, 1991, for reservations of water in the Missouri River basin below Fort Peck dam and in the Little Missouri River basin.

(c) The board shall determine which applications or portions of applications are considered to be above or below Fort Peck dam.

(4) Water reservations approved by the board under this section have a priority date of July 1, 1985, in the Missouri River basin and a priority date of July 1, 1989, in the Little Missouri River basin. If the department issues a permit under Title 85, chapter 2, part 3, prior to the granting of a reservation under this section, the board may subordinate the reservation to the permit if it finds that the subordination does not interfere substantially with the purpose of any reservation. The board shall by order establish the relative priority of applications approved under this section.

**History: En. Sec. 16, Ch. 573, L. 1985; amd. Sec. 3, HB 952, L. 1985; amd. Sec. 7, Ch. 535, L. 1987; amd. Sec. 1, Ch. 134, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In introductory clause of (1) inserted "or in the Little Missouri River basin"; substituted (1)(a) and (1)(b), relating to reservation above and below Fort Peck dam, for end of (1) that read: "July 1, 1989, except that applications for reservation of water below Fort Peck dam must be filed no later than July 1, 1991"; at end of (2) inserted "and the Little Missouri River basin"; at beginning of (3)(a) substituted "July 1, 1992" for "December 31, 1991"; at end of (3)(b) inserted "and in the Little Missouri River basin"; and in (4) inserted "in the Missouri River basin and a priority date of July 1, 1989, in the Little Missouri River basin". Amendment effective March 18, 1989.

## Part 4

## Utilization of Water

**85-2-401. Priority.** (1) As between appropriators, the first in time is the first in right. Priority of appropriation does not include the right to prevent changes by later appropriators in the condition of water occurrence, such as the increase or decrease of streamflow or the lowering of a water table, artesian pressure, or water level, if the prior appropriator can reasonably exercise his water right under the changed conditions.

(2) Priority of appropriation made under this chapter dates from the filing of an application for a permit with the department, except as otherwise provided in 85-2-301 through 85-2-303, 85-2-306, 85-2-310(3), and 85-2-313.

(3) Priority of appropriation perfected before July 1, 1973, shall be determined as provided in part 2 of this chapter.

**History: En. Sec. 27, Ch. 452, L. 1973; R.C.M. 1947, 89-891; amd. Sec. 33, Ch. 697, L. 1979.**

**Cross-References**

Existing rights to use of waters for any useful or beneficial purpose recognized and confirmed, Art. IX, sec. 3, Mont. Const.

Action for damage to water supply caused by metal mine, 82-4-355.

Declaration of policy and purpose, 85-2-101.

Final decree, 85-2-234.

**85-2-402.** *(Temporary)* **Changes in appropriation rights.** (1) An appropriator may not make a change in an appropriation right except as permitted under this section and with the approval of the department or, if applicable, of the legislature.

(2) Except as provided in subsections (3) through (5), the department shall approve a change in appropriation right if the appropriator proves by substantial credible evidence that the following criteria are met:

(a) The proposed use will not adversely affect the water rights of other persons or other planned uses or developments for which a permit has been issued or for which water has been reserved.

(b) Except for a lease authorization pursuant to 85-2-436 that does not require appropriation works, the proposed means of diversion, construction, and operation of the appropriation works are adequate.

(c) The proposed use of water is a beneficial use.

(d) The applicant has a possessory interest, or the written consent of the person with the possessory interest, in the property where the water is to be put to beneficial use.

(3) The department may not approve a change in purpose of use or place of use of an appropriation of 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water unless the appropriator proves by substantial credible evidence that:

(a) the criteria in subsection (2) are met;

(b) the proposed change is a reasonable use. A finding of reasonable use must be based on a consideration of:

(i) the existing demands on the state water supply, as well as projected demands for water for future beneficial purposes, including municipal water supplies, irrigation systems, and minimum streamflows for the protection of existing water rights and aquatic life;

(ii) the benefits to the applicant and the state;

(iii) the effects on the quantity and quality of water for existing uses in the source of supply;

(iv) the availability and feasibility of using low-quality water for the purpose for which application has been made;

(v) the effects on private property rights by any creation of or contribution to saline seep; and

(vi) the probable significant adverse environmental impacts of the proposed use of water as determined by the department pursuant to Title 75, chapter 1, or Title 75, chapter 20.

(4) The department may not approve a change in purpose of use or place of use for a diversion that results in 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water being consumed unless:

(a) the applicant proves by clear and convincing evidence and the department finds that the criteria in subsections (2) and (3) are met; and

(b) the department then petitions the legislature and the legislature affirms the decision of the department after one or more public hearings.

(5) (a) The state of Montana has long recognized the importance of conserving its public waters and the necessity to maintain adequate water supplies for the state's water requirements, including requirements for reserved water rights held by the United States for federal reserved lands and in trust for the various Indian tribes within the state's boundaries. Although the state of Montana also recognizes that, under appropriate conditions, the out-of-state transportation and use of its public waters are not in conflict with the public welfare of its citizens or the conservation of its waters, the following criteria must be met before out-of-state use may occur:

(b) The department and, if applicable, the legislature may not approve a change in appropriation right for the withdrawal and transportation of appropriated water for use outside the state unless the appropriator proves by clear and convincing evidence and, if applicable, the legislature approves after one or more public hearings that:

(i) depending on the volume of water diverted or consumed, the applicable criteria and procedures of subsection (2) or (3) are met;

(ii) the proposed out-of-state use of water is not contrary to water conservation in Montana; and

(iii) the proposed out-of-state use of water is not otherwise detrimental to the public welfare of the citizens of Montana.

(c) In determining whether the appropriator has proved by clear and convincing evidence that the requirements of subsections (5)(b)(ii) and (5)(b)(iii) will be met, the department and, if applicable, the legislature shall consider the following factors:

(i) whether there are present or projected water shortages within the state of Montana;

(ii) whether the water that is the subject of the proposed change in appropriation might feasibly be transported to alleviate water shortages within the state of Montana;

(iii) the supply and sources of water available to the applicant in the state where the applicant intends to use the water; and

(iv) the demands placed on the applicant's supply in the state where the applicant intends to use the water.

(d) When applying for a change in appropriation right to withdraw and transport water for use outside the state, the applicant shall submit to and comply with the laws of the state of Montana governing the appropriation and use of water.

(6) For any application for a change in appropriation right involving 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water, the department shall give notice of the proposed change in accordance with 85-2-307 and shall hold one or more hearings in accordance with 85-2-309 prior to its approval or denial of the proposed change. The department shall provide notice and may hold one or more hearings upon any other proposed change if it determines that a change might adversely affect the rights of other persons.

(7) The department or the legislature, if applicable, may approve a change subject to terms, conditions, restrictions, and limitations as it considers necessary to satisfy the criteria of this section, including limitations on the time for completion of the change. The department may extend time limits specified in the change approval under the applicable criteria and procedures of 85-2-312(3).

(8) If a change is not completed as approved by the department or legislature or if the terms, conditions, restrictions, and limitations of the change approval are not complied with, the department may, after notice and opportunity for hearing, require the appropriator to show cause why the change approval should not be modified or revoked. If the appropriator fails to show sufficient cause, the department may modify or revoke the change approval.

(9) The original of a change approval issued by the department must be sent to the applicant, and a duplicate must be kept in the office of the department in Helena.

(10) A person holding an issued permit or change approval that has not been perfected may change the place of diversion, place of use, purpose of use, or place of storage by filing an application for change pursuant to this section.

(11) A change in appropriation right contrary to the provisions of this section is invalid. An officer, agent, agency, or employee of the state may not knowingly permit, aid, or assist in any manner an unauthorized change in appropriation right. A person or corporation may not, directly or indirectly, personally or through an agent, officer, or employee, attempt to change an appropriation right except in accordance with this section. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**85-2-402.** *(Effective July 1, 1993)* **Changes in appropriation rights.** (1) An appropriator may not make a change in an appropriation right except as permitted under this section and with the approval of the department or, if applicable, of the legislature.

(2) Except as provided in subsections (3) through (5), the department shall approve a change in appropriation right if the appropriator proves by substantial credible evidence that the following criteria are met:

(a) The proposed use will not adversely affect the water rights of other persons or other planned uses or developments for which a permit has been issued or for which water has been reserved.

(b) The proposed means of diversion, construction, and operation of the appropriation works are adequate.

(c) The proposed use of water is a beneficial use.

(d) The applicant has a possessory interest, or the written consent of the person with the possessory interest, in the property where the water is to be put to beneficial use.

(3) The department may not approve a change in purpose of use or place of use of an appropriation of 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water unless the appropriator proves by substantial credible evidence that:

(a) the criteria in subsection (2) are met;

(b) the proposed change is a reasonable use. A finding of reasonable use must be based on a consideration of:

(i) the existing demands on the state water supply, as well as projected demands for water for future beneficial purposes, including municipal water supplies, irrigation systems, and minimum streamflows for the protection of existing water rights and aquatic life;

(ii) the benefits to the applicant and the state;

(iii) the effects on the quantity and quality of water for existing uses in the source of supply;

(iv) the availability and feasibility of using low-quality water for the purpose for which application has been made;

(v) the effects on private property rights by any creation of or contribution to saline seep; and

(vi) the probable significant adverse environmental impacts of the proposed use of water as determined by the department pursuant to Title 75, chapter 1, or Title 75, chapter 20.

(4) The department may not approve a change in purpose of use or place of use for a diversion that results in 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water being consumed unless:

(a) the applicant proves by clear and convincing evidence and the department finds that the criteria in subsections (2) and (3) are met; and

(b) the department then petitions the legislature and the legislature affirms the decision of the department after one or more public hearings.

(5) (a) The state of Montana has long recognized the importance of conserving its public waters and the necessity to maintain adequate water supplies for the state's water requirements, including requirements for reserved water rights held by the United States for federal reserved lands and in trust for the various Indian tribes within the state's boundaries. Although the state of Montana also recognizes that, under appropriate conditions, the out-of-state transportation and use of its public waters are not in conflict with the public welfare of its citizens or the conservation of its waters, the following criteria must be met before out-of-state use may occur:

(b) The department and, if applicable, the legislature may not approve a change in appropriation right for the withdrawal and transportation of appropriated water for use outside the state unless the appropriator proves by clear and convincing evidence and, if applicable, the legislature approves after one or more public hearings that:

(i) depending on the volume of water diverted or consumed, the applicable criteria and procedures of subsection (2) or (3) are met;

(ii) the proposed out-of-state use of water is not contrary to water conservation in Montana; and

(iii) the proposed out-of-state use of water is not otherwise detrimental to the public welfare of the citizens of Montana.

(c) In determining whether the appropriator has proved by clear and convincing evidence that the requirements of subsections (5)(b)(ii) and (5)(b)(iii) will be met, the department and, if applicable, the legislature shall consider the following factors:

(i) whether there are present or projected water shortages within the state of Montana;

(ii) whether the water that is the subject of the proposed change in appropriation might feasibly be transported to alleviate water shortages within the state of Montana;

(iii) the supply and sources of water available to the applicant in the state where the applicant intends to use the water; and

(iv) the demands placed on the applicant's supply in the state where the applicant intends to use the water.

(d) When applying for a change in appropriation right to withdraw and transport water for use outside the state, the applicant shall submit to and comply with the laws of the state of Montana governing the appropriation and use of water.

(6) For any application for a change in appropriation right involving 4,000 or more acre-feet of water a year and 5.5 or more cubic feet per second of water, the department shall give notice of the proposed change in accordance with 85-2-307 and shall hold one or more hearings in accordance with 85-2-309 prior to its approval or denial of the proposed change. The department shall provide notice and may hold one or more hearings upon any other proposed change if it determines that such a change might adversely affect the rights of other persons.

(7) The department or the legislature, if applicable, may approve a change subject to such terms, conditions, restrictions, and limitations as it considers necessary to satisfy the criteria of this section, including limitations on the time for completion of the change. The department may extend time limits specified in the change approval under the applicable criteria and procedures of 85-2-312(3).

(8) If a change is not completed as approved by the department or legislature or if the terms, conditions, restrictions, and limitations of the change approval are not complied with, the department may, after notice and opportunity for hearing, require the appropriator to show cause why the change approval should not be modified or revoked. If the appropriator fails to show sufficient cause, the department may modify or revoke the change approval.

(9) The original of a change approval issued by the department must be sent to the applicant, and a duplicate must be kept in the office of the department in Helena.

(10) A person holding an issued permit or change approval that has not been perfected may change the place of diversion, place of use, purpose of use, or place of storage by filing an application for change pursuant to this section.

(11) A change in appropriation right contrary to the provisions of this section is invalid. No officer, agent, agency, or employee of the state may knowingly permit, aid, or assist in any manner such unauthorized change in appropriation right. No person or corporation may, directly or indirectly, personally or through an agent, officer, or employee, attempt to change an appropriation right except in accordance with this section.

**History: En. Sec. 28, Ch. 452, L. 1973; amd. Sec. 3, Ch. 238, L. 1974; amd. Sec. 1, Ch. 338, L. 1975; amd. Sec. 8, Ch. 416, L. 1977; R.C.M. 1947, 89-892; amd. Sec. 15, Ch. 448, L. 1983; amd. Sec. 7, Ch. 573, L. 1985; amd. Sec. 8, Ch. 535, L. 1987; amd. Sec. 3, Ch. 432, L. 1989; amd. Sec. 2, Ch. 658, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 432 inserted (2)(d) relating to possessory interest; and made minor changes in phraseology. Amendment effective April 4, 1989.

Chapter 658 at beginning of (2)(b) inserted exception clause; and made minor changes in phraseology. Amendment effective May 11, 1989, and terminates June 30, 1993.

**Cross-References**

Due process, Art. II, sec. 17, Mont. Const.
Measurement of water, 85-2-103.
Penalties, 85-2-122.
Definitions, 85-2-602.

**85-2-403. Transfer of appropriation right.** (1) The right to use water shall pass with a conveyance of the land or transfer by operation of law, unless specifically exempted therefrom. All transfers of interests in appropriation rights shall be without loss of priority.

(2) Failure to comply with the provisions of 85-2-402 does not render a conveyance or reservation of a water right void, but the right may not be used until the department has approved the change. This subsection applies retroactively, within the meaning of 1-2-109, to a conveyance or reservation made after July 1, 1973.

**History: En. Sec. 29, Ch. 452, L. 1973; amd. Sec. 4, Ch. 238, L. 1974; R.C.M. 1947, 89-893; amd. Sec. 16, Ch. 448, L. 1983; amd. Sec. 7, Ch. 674, L. 1983; amd. Sec. 9, Ch. 535, L. 1987.**

**Cross-References**

Transfer of real property, Title 70, ch. 20.
Department duties, 85-2-112.
Penalties, 85-2-122.

**85-2-404.** *(Temporary)* **Abandonment of appropriation right.** (1) If an appropriator ceases to use all or a part of his appropriation right with the intention of wholly or partially abandoning the right or if he ceases using his appropriation right according to its terms and conditions with the intention of not complying with those terms and conditions, the appropriation right shall, to that extent, be considered abandoned and shall immediately expire.

(2) If an appropriator ceases to use all or part of his appropriation right or ceases using his appropriation right according to its terms and conditions for a period of 10 successive years and there was water available for his use, there is a prima facie presumption that the appropriator has abandoned his right in whole or for the part not used.

(3) If an appropriator ceases to use all or part of his appropriation right because the land to which the water is applied to a beneficial use is contracted under a state or federal conservation set-aside program:

(a) the set-aside and resulting reduction in use of the appropriation right does not represent an intent by the appropriator to wholly or partially abandon the appropriation right or to not comply with the terms and conditions attached to the right; and

(b) the period of nonuse that occurs for part or all of the appropriation right as a result of the contract may not create or may not be added to any previous period of nonuse to create a prima facie presumption of abandonment.

(4) The lease of an existing right pursuant to 85-2-436 does not constitute an abandonment by the lessor or serve as evidence that could be used to establish an abandonment by the lessor of any part of the right.

(5) Subsections (1) and (2) do not apply to existing rights until they have been determined in accordance with part 2 of this chapter. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**85-2-404.** *(Effective July 1, 1993)* **Abandonment of appropriation right.** (1) If an appropriator ceases to use all or a part of his appropriation right with the intention of wholly or partially abandoning the right or if he ceases using his appropriation right according to its terms and conditions with the intention of not complying with those terms and conditions, the appropriation right shall, to that extent, be deemed considered abandoned and shall immediately expire.

(2) If an appropriator ceases to use all or part of his appropriation right or ceases using his appropriation right according to its terms and conditions for a period of 10 successive years and there was water available for his use, there shall be a prima facie presumption that the appropriator has abandoned his right in whole or for the part not used.

(3) If an appropriator ceases to use all or part of his appropriation right because the land to which the water is applied to a beneficial use is contracted under a state or federal conservation set-aside program:

(a) the set-aside and resulting reduction in use of the appropriation right does not represent an intent by the appropriator to wholly or partially abandon the appropriation right or to not comply with the terms and conditions attached to the right; and

(b) the period of nonuse that occurs for part or all of the appropriation right as a result of the contract may not create or may not be added to any previous period of nonuse to create a prima facie presumption of abandonment.

(4) Subsections (1) and (2) do not apply to existing rights until they have been determined in accordance with part 2 of this chapter.

**History: En. Sec. 30, Ch. 452, L. 1973; R.C.M. 1947, 89-894; amd. Sec. 1, Ch. 339, L. 1987; amd. Sec. 3, Ch. 658, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (4) regarding lease of an existing right pursuant to the water leasing study; and made minor changes in phraseology. Amendment effective May 11, 1989, and terminates June 30, 1993.

**Cross-References**

Abandonment by failure to file claim, 85-2-226.

Final decree in adjudication program, 85-2-234.

**85-2-405. Procedure for declaring appropriation rights abandoned.** (1) When the department has reason to believe that an appropriator may have abandoned his appropriation right under 85-2-404 or when another appropriator in the opinion of the department files a valid claim that he has been or will be injured by the resumption of use of an appropriation right alleged to have been abandoned, the department shall petition the district court which determined the existing rights in the source of the appropriation in question to hold a hearing to determine whether the appropriation right has been abandoned. Proceedings under this section shall be conducted in accordance with the Montana Rules of Civil Procedure, and appeal shall be taken in accordance with the Montana Rules of Appellate Procedure.

(2) At the hearing, the burden of proof shall be on the department which must establish by a preponderance of the evidence that the appropriation has been abandoned under 85-2-404.

(3) The determination of the court shall be appended to the final decree. The department shall keep a copy of the determination in its office in Helena.

**History: En. Sec. 31, Ch. 452, L. 1973; R.C.M. 1947, 89-895.**

**Cross-References**

Montana Rules of Civil Procedure, Title 25, ch. 20.

Montana Rules of Appellate Procedure, Title 25, ch. 21.

Final decree, 85-2-234.

**85-2-406. District court supervision of water distribution.** (1) The district courts shall supervise the distribution of water among all appropriators. This supervisory authority includes the supervision of all water commissioners appointed prior or subsequent to July 1, 1973. The supervision shall be governed by the principle that first in time is first in right.

(2) When a water distribution controversy arises upon a source of water in which existing rights have not been determined according to part 2 of this chapter or when a basin is the subject of a temporary preliminary decree or preliminary decree, as modified after objections and hearings, any party to the controversy or any person whose rights are or may be affected by enforcement of the decree may petition the district court for relief. The district court from which relief is sought may grant injunctive or other relief which is necessary and appropriate to preserve property rights or the status quo pending the issuance of the final decree.

(3) A controversy between appropriators from a source that has been the subject of a final decree under part 2 of this chapter must be settled by the district court that issued the final decree. The order of the district court settling the controversy may not alter the existing rights and priorities established in the final decree except to the extent the court alters rights based

upon abandonment, waste, or illegal enlargement or change of right. In cases involving permits issued by the department, the court may not amend the respective rights established in the permits or alter any terms of the permits unless the permits are inconsistent or interfere with rights and priorities established in the final decree. The order settling the controversy must be appended to the final decree, and a copy must be filed with the department. The department must be served with process in any proceeding under this subsection, and the department may, in its discretion, intervene in the proceeding.

(4) If an action to enforce a temporary preliminary decree is commenced, the water judge shall upon referral from the district court establish, in a form determined to be appropriate by the water judge, one or more tabulations or lists of all existing rights and their relative priorities.

(5) (a) A person whose existing rights and priorities are determined in a temporary preliminary decree or preliminary decree or a person exercising a suspension under 85-2-217 and part 7 of this chapter may appeal a determination made pursuant to subsection (2).

(b) The water judge is not bound by a supreme court determination on an appeal entered under this subsection in issuing any subsequent decree under part 2 of this chapter.

**History: En. Sec. 32, Ch. 452, L. 1973; amd. Sec. 12, Ch. 485, L. 1975; R.C.M. 1947, 89-896; amd. Sec. 34, Ch. 697, L. 1979; amd. Sec. 6, Ch. 604, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), after "chapter", inserted "or when a basin is the subject of a temporary preliminary decree or preliminary decree, as modified after objections and hearings" and after "controversy" inserted "or any person whose rights are or may be affected by enforcement of the decree"; in first sentence of (3) substituted "final decree" for "general determination of existing rights" and at end of second sentence inserted exception clause; inserted (4) requiring Water Judge to establish lists of existing rights and priorities; inserted (5) providing person whose existing rights and priorities are determined in temporary preliminary or preliminary decree or person exercising statutory suspension the right to appeal determination and providing that Water Judge in issuing subsequent decree is not bound by Supreme Court determination on appeal; and made minor changes in style and grammar. Amendment effective April 21, 1989.

*Retroactive and Prospective Applicability:* Section 11, Ch. 604, L. 1989, provided: "(1) [This act] applies retroactively, within the meaning of 1-2-109, to all temporary preliminary decrees and preliminary decrees that have been issued by the Montana water courts and prospectively to all decrees issued on or after [the effective date of this act] [effective April 21, 1989].

(2) A person whose existing rights are determined in a temporary preliminary decree or a preliminary decree issued before [the effective date of this act] [effective April 21, 1989] may petition the water judge for relief concerning any matter in the decree prior to enforcement of the decree."

**Cross-References**

Water Courts, Title 3, ch. 7.

Final decree, 85-2-234.

Appeals from final decree, 85-2-235.

Water Commissioners — power and duty to distribute water, 85-5-105.

**85-2-407 through 85-2-410 reserved.**

**85-2-411. Water turned into natural channels.** Water appropriated under an existing right or pursuant to this chapter may be turned into the natural channel of another stream or from a reservoir into the natural channel and withdrawn or diverted at a point downstream for beneficial use, but the waters of that stream may not thereby be diminished in quantity or deteriorated in quality to the detriment of a prior appropriator. Water stored in a reservoir under an existing right or pursuant to this chapter which is turned into a natural channel for withdrawal or diversion and beneficial use downstream shall not be considered a part of the natural flow of that stream.

**History:** En. 89-891.1 by Sec. 1, Ch. 103, L. 1974; R.C.M. 1947, 89-891.1.

**Cross-References**

Water quality, Title 75, ch. 5.

The Natural Streambed and Land Preservation Act of 1975, Title 75, ch. 7, part 1.

**85-2-412. Return of surplus water to stream.** In all cases where, by virtue of prior appropriation, any person may have diverted all the water of any stream or to such an extent that there shall not be an amount sufficient left therein for those having a subsequent right to the waters of such stream and there shall, at any time, be a surplus of water so diverted, over and above what is actually and necessarily used by the prior appropriator, such person shall be required to turn and cause to flow back into the stream such surplus water. Upon failure to do so within 24 hours after demand being made upon him in writing, to him in person or at his place of abode, by any person having a right to the use of such surplus water, the person so diverting the same shall be liable to the person aggrieved for the damage resulting therefrom, in such sum as may be determined by court.

**History:** En. Sec. 1, p. 52, L. 1879; re-en. Sec. 731, p. 562, 5th Div. Rev. Stat. 1879; re-en. Sec. 1239, 5th Div. Comp. Stat. 1887; amd. Sec. 1884, Civ. C. 1895; re-en. Sec. 1, Ch. 56, L. 1907; Sec. 4844, Rev. C. 1907; re-en. Sec. 7097, R.C.M. 1921; re-en. Sec. 7097, R.C.M. 1935; R.C.M. 1947, 89-805.

**Cross-References**

Damages, Title 27, ch. 1, part 2.

Measure of damages, Title 27, ch. 1, part 3.

Prevention of waste, 85-2-114.

**85-2-413. Diversion of natural flow of waters — when permitted.** Any person, owning or in possession of lands susceptible of irrigation from any stream, the waters of which are so diminished by prior appropriations that a sufficient amount of water for the irrigation of his lands cannot be obtained from the natural flow of the stream, who shall construct a reservoir or shall purchase or lease water from a reservoir owned by the department or another or shall otherwise acquire an interest in such reservoir or in water stored therein, which is so located that because of natural or other obstacles the water impounded therein cannot be conducted to the lands which he desires to irrigate, may, provided the stored water can be discharged into the stream in such a manner that it can be used beneficially by prior appropriators, divert the natural flow of the stream for the irrigation of his lands in lieu of an equal amount of stored water; provided, however, that such exchange can be made without injury to said prior appropriators.

**History:** En. Sec. 1, Ch. 39, L. 1937; amd. Sec. 155, Ch. 253, L. 1974; R.C.M. 1947, 89-806.

**Cross-References**

Creation of irrigation districts — adjudicated streams, Title 85, ch. 7, part 2.

Creation of irrigation districts — common water supply, Title 85, ch. 7, part 3.

Stream protection, Title 87, ch. 5, part 5.

**85-2-414. Conduction of water.** The right to conduct water from or over the land of another for any beneficial use includes the right to raise any water by means of dams, reservoirs, or embankments to a sufficient height to make the same available for the use intended, and the right to any and all land necessary therefor may be acquired upon payment of just compensation in the manner provided by law for the taking of private property for public use. If it is necessary to conduct the water across the right-of-way of any railroad, it shall be the duty of the owners of the ditch or flume to give 30 days' notice in writing to the owner or owners of such railway of their intention to construct a ditch or flume across the right-of-way of such railroad, the point at which the ditch or flume will cross the railroad, and the time when the construction of said ditch or flume will be made. If the owner or owners of such railroad or their agent fail to appear and attend at the time and place fixed in said notice, it shall be lawful for the owner or owners of the said flume or ditch to construct the same across the right-of-way of such railroad without further notice to said owner or owners of the railroad.

**History: En. Sec. 1894, Civ. C. 1895; re-en. Sec. 4857, Rev. C. 1907; re-en. Sec. 7110, R.C.M. 1921; re-en. Sec. 7110, R.C.M. 1935; R.C.M. 1947, 89-820.**

**Cross-References**

Eminent domain — assessing compensation, 70-30-302.

Construction across streams, highways, or other obstacles, 85-1-208.

**85-2-415. Owners of water to sell surplus.** Any person having the right to use, sell, or dispose of water and engage in using, selling, or disposing of the same who has a surplus of water not used or sold or any person having a surplus of water and the right to sell and dispose of the same is required, upon the payment or tender to the person entitled thereto of an amount equal to the usual and customary rates per inch or cubic foot of water per second, to convey and deliver to the person the surplus of unsold water or so much thereof for which the payment or tender has been made and shall continue to convey and deliver the same weekly so long as the surplus of unused or unsold water exists and the payment or tender is made as aforesaid.

**History: En. Sec. 1, p. 406, L. 1877; re-en. Sec. 742, 5th Div. Rev. Stat. 1879; re-en. Sec. 1263, 5th Div. Comp. Stat. 1887; re-en. Sec. 1897, Civ. C. 1895; re-en. Sec. 4860, Rev. C. 1907; re-en. Sec. 7113, R.C.M. 1921; re-en. Sec. 7113, R.C.M. 1935; amd. Sec. 6, Ch. 460, L. 1977; R.C.M. 1947, 89-823.**

**Cross-References**

Measurement of water, 85-2-103.

Prevention of waste, 85-2-114.

**85-2-416. Duty of purchaser to dig ditches.** Any person desiring to avail himself of the provisions of 85-2-415 must, at his own cost and expense, construct or dig the necessary flumes or ditches to receive and convey the surplus water so desired by him and pay or tender to the person having the right to the use, sale, or disposal thereof an amount equal to the necessary cost and expense of tapping any gulch, stream, reservoir, ditch, flume, or aqueduct and putting in gates, gauges, or other proper and necessary appliances usual and customary in such cases, and until the same shall be done, the delivery of the surplus water shall not be required as provided in 85-2-415.

**History: En. Sec. 2, p. 406, L. 1877; re-en. Sec. 743, 5th Div. Rev. Stat. 1879; re-en. Sec. 1264, 5th Div. Comp. Stat. 1887; re-en. Sec. 1898, Civ. C. 1895; re-en. Sec. 4861, Rev. C. 1907; re-en. Sec. 7114, R.C.M. 1921; re-en. Sec. 7114, R.C.M. 1935; R.C.M. 1947, 89-824.**

**85-2-417. Enforcement of right to surplus.** Any person constructing the necessary ditches, aqueducts, or flumes and making the payments or tenders hereinbefore provided is entitled to the use of so much of the surplus water as said ditches, flumes, or aqueducts have the capacity to carry and for which payment or tender is made and may institute and maintain any appropriate action at law or in equity for the enforcement of such right or recovery of damages arising from a failure to deliver or wrongful diversion of the same.

**History:** En. Sec. 3, p. 406, L. 1877; re-en. Sec. 744, 5th Div. Rev. Stat. 1879; re-en. Sec. 1265, 5th Div. Comp. Stat. 1887; re-en. Sec. 1899, Civ. C. 1895; re-en. Sec. 4862, Rev. C. 1907; re-en. Sec. 7115, R.C.M. 1921; re-en. Sec. 7115, R.C.M. 1935; R.C.M. 1947, 89-825.

**Cross-References**

Damages, Title 27, ch. 1, part 2.

Specific and preventive relief, Title 27, ch. 1, part 4.

**85-2-418. Purchaser cannot sell surplus water.** Nothing in 85-2-415 through 85-2-417 shall be so construed as to give the person acquiring the right to the use of water, as therein provided, the right to sell or dispose of the same after being so used by him or prevent the original owner or proprietor from retaking, selling, and disposing of the same in the usual and customary manner after it is so used as aforesaid.

**History:** En. Sec. 4, p. 407, L. 1877; re-en. Sec. 745, 5th Div. Rev. Stat. 1879; re-en. Sec. 1266, 5th Div. Comp. Stat. 1887; re-en. Sec. 1900, Civ. C. 1895; re-en. Sec. 4863, Rev. C. 1907; re-en. Sec. 7116, R.C.M. 1921; re-en. Sec. 7116, R.C.M. 1935; R.C.M. 1947, 89-826.

**85-2-419 and 85-2-420 reserved.**

**85-2-421. Purpose.** The purpose of 85-2-421 through 85-2-424 and 85-2-426 is to facilitate the maintenance of a reliable record of water right ownership on both the state and local levels by requiring that water right transfers be filed with the department and that the department notify the water court and the county clerk and recorder of each transfer filed.

**History:** En. Sec. 1, Ch. 674, L. 1983; amd. Sec. 1, Ch. 271, L. 1985; amd. Sec. 146, Ch. 370, L. 1987.

**Cross-References**

Transfer of appropriation right, 85-2-403.

**85-2-422. Definition.** As used in 85-2-421 through 85-2-424 and 85-2-426, "water right" means the right to use water as documented by a claim to an existing right, a permit, or a certificate of water right.

**History:** En. Sec. 2, Ch. 674, L. 1983; amd. Sec. 147, Ch. 370, L. 1987.

**Cross-References**

Transfer of appropriation right, 85-2-403.

**85-2-423. Water right transfer certificate.** (1) The chief water judge and the department shall prescribe the form and content of the water right transfer certificate.

(2) The department shall provide an adequate supply of such forms to each county clerk and recorder in the state.

**History:** En. Sec. 3, Ch. 674, L. 1983.

**85-2-424. Filing.** (1) The transferor of a water right or his agent or representative shall file with the department a water right transfer certificate within 60 days of recording a deed or other instrument evidencing a transfer of real property.

(2) Except in the case of a transfer of real property served by a public service water supply, when any person presents for recording a deed or other

instrument evidencing a transfer of real property, the realty transfer certificate shall note whether or not the transfer includes a transfer of water rights. If the realty transfer certificate notes a transfer of water rights, the clerk and recorder shall provide such person the form prescribed under 85-2-423 for the transfer of water rights. The recording of the deed or other instrument shall not be delayed because of the transfer of the water rights.

(3) The county clerk and recorder shall send to the department a list of all transfers that involve transfers of water rights. The list must be sent every month and must include all transfers for the month immediately preceding the date of submittal to the department. The list must include the names and addresses of all parties to the transfer and a legal description of the land subject to the transfer.

(4) The department shall send a reference copy of the water right transfer certificate to the office of the chief water judge and to the county clerk and recorder in the county in which the transfer occurred.

**History: En. Sec. 4, Ch. 674, L. 1983; amd. Sec. 2, Ch. 271, L. 1985.**

**85-2-425. Repealed.** Sec. 6, Ch. 271, L. 1985.

**History: En. Sec. 5, Ch. 674, L. 1983.**

**85-2-426. Fee.** (1) The board of natural resources and conservation shall by rule prescribe a fee that will be no higher than necessary to cover the cost to the department and the county clerk and recorder in processing the transfer certificate. The fee must be paid at the time of filing of the water right transfer certificate.

(2) The fee must be deposited in the water right appropriation account provided for in 85-2-318.

**History: En. Sec. 6, Ch. 674, L. 1983; amd. Sec. 3, Ch. 271, L. 1985.**

**85-2-427 through 85-2-430 reserved.**

**85-2-431. Penalty.** (1) The transferor of a water right is responsible for the filing of a water right transfer certificate with the department in accordance with 85-2-424.

(2) A person who violates 85-2-424(1) is liable for a civil penalty of not more than $50.

(3) An action to recover the penalty must be brought by the department and filed in the district court for the first judicial district.

(4) Any penalty fee collected under this section must be deposited in the water right appropriation account provided for in 85-2-318.

**History: En. Sec. 4, Ch. 271, L. 1985.**

**85-2-432 through 85-2-435 reserved.**

**85-2-436.** *(Temporary)* **Water leasing study.** (1) The department of fish, wildlife, and parks and the department, in consultation with the water policy committee, shall conduct and coordinate a study that, at a minimum:

(a) provides the following data for each designated stream reach and each pilot lease entered into under subsection (2):

(i) the length of the stream reach and how it is determined;

(ii) technical methods and data used to determine critical streamflow or volume needed to preserve fisheries;

(iii) legal standards and technical data used to determine and substantiate the amount of water available for instream flows through leasing of existing rights;

(iv) contractual parameters, conditions, and other steps taken to ensure that each lease in no way harms other appropriators, particularly if the stream is one that experiences natural dewatering; and

(v) methods and technical means used to monitor use of water under each lease;

(b) based on the data provided under subsection (1)(a), develops a complete model of a water lease and lease authorization that includes a step-by-step explanation of the process from initiation to completion.

(2) For purposes of undertaking the study described in subsection (1) and as authorized by law, the department of fish, wildlife, and parks and the department may engage in the activities described in this subsection. For purposes of this study, this section is the exclusive means by which the department of fish, wildlife, and parks may seek to change an appropriation right to an instream flow purpose.

(a) The department of fish, wildlife, and parks, with the consent of the commission, may lease existing rights for the purpose of maintaining or enhancing streamflows for the benefit of fisheries in stream reaches determined eligible by the board pursuant to 85-2-437.

(b) Upon receipt of an application for a lease from the department of fish, wildlife, and parks, the department shall publish notice of the application as provided in 85-2-307. Parties who believe they may be adversely affected by the proposed lease may file an objection as provided in 85-2-308. A lease may not be approved until all objections are resolved. After resolving all objections filed under 85-2-308, the department shall authorize a lease of an existing right for the purpose of maintaining or enhancing streamflows for the benefit of fisheries if the applicant submits a complete application and meets the requirements of 85-2-402.

(c) The application for a lease authorization must include specific information on the length and location of the stream reach in which the streamflow must be maintained or enhanced and must provide a detailed streamflow measuring plan that describes the points where and the manner in which the streamflow must be measured.

(d) The maximum quantity of water that may be leased is the amount historically diverted by the lessor. However, only the amount historically consumed, or a smaller amount if specified by the department in the lease authorization, may be used to maintain or enhance streamflows below the lessor's point of diversion.

(e) The lease may not be issued for a term of more than 4 years but may be renewed for up to 10 years per renewal, if allowed by law and upon notification to the department. If this section terminates without reauthorization by the legislature, all leases and lease authorizations expire on the date of termination. Upon receiving notice of a lease renewal, the department shall notify other appropriators potentially affected by the lease and shall allow 30 days for submission of new evidence of adverse effects to other water rights. A lease authorization is not required for a renewal unless an appropriator other than an appropriator described in subsection (2)(i) submits evidence of adverse effects to his rights that has not been considered previously. If new evidence is submitted, a lease authorization must be obtained according to the requirements of 85-2-402.

(f) During the term of the original lease, the department may modify or revoke the lease authorization if an appropriator other than an appropriator described in subsection (2)(i) proves by substantial credible evidence that his water right is adversely affected.

(g) The priority of appropriation for a lease under this section is the same as the priority of appropriation of the right that is leased.

(h) Neither a change in appropriation right nor any other authorization is required for the reversion of the appropriation right to the lessor's previous use.

(i) A person issued a water use permit with a priority of appropriation after the date of filing of an application for a lease authorization under this section may not object to the exercise of the lease according to its terms, the renewal of the lease, or the reversion of the appropriation right to the lessor according to the lessor's previous use.

(j) The department of fish, wildlife, and parks shall pay all costs associated with installing measuring devices or providing personnel to measure streamflows according to the measuring plan submitted under this section.

(3) A study report must be adopted by the board and commission and submitted to the water policy committee, which shall complete a final report by December 1, 1990. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**History: En. Sec. 6, Ch. 658, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 10, Ch. 658, L. 1989, provided that this section is effective May 11, 1989.

**Cross-References**

Definition of appropriate and beneficial use, 85-2-102.

Changes in appropriation rights, 85-2-402.

Abandonment of appropriation right, 85-2-404.

Contributions for leasing appropriation rights, 87-1-610.

**85-2-437.** *(Temporary)* **Board designation of eligible stream reaches.** (1) The department of fish, wildlife, and parks, with the consent of the commission, may apply to the board for designation of stream reaches for which water leasing to maintain or enhance streamflows pursuant to 85-2-436 may occur.

(2) The board may declare a stream reach eligible for leasing pursuant to 85-2-436 only if it finds that water leasing is necessary to maintain or enhance streamflows for fisheries.

(3) The board may designate no more than five stream reaches in the state where water leasing pursuant to 85-2-436 may occur. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**History: En. Sec. 4, Ch. 658, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 10, Ch. 658, L. 1989, provided that this section is effective May 11, 1989.

# Part 5

## Groundwater

**Part Cross-References**

Board of Water Well Contractors, 2-15-3307.

Water well contractors, Title 37, ch. 43.

Metal mine monitoring of water quality and quantity, 82-4-355.

**85-2-501. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Aquifer" means any underground geological structure or formation which is capable of yielding water or is capable of recharge.

(2) "Bureau" means the Montana state bureau of mines and geology provided for in 20-25-211.

(3) "Groundwater" means any fresh water beneath the land surface or beneath the bed of a stream, lake, reservoir, or other body of surface water and which is not a part of that surface water.

(4) "Groundwater area" means an area which, as nearly as known facts permit, may be designated so as to enclose a single and distinct body of groundwater, which shall be described horizontally by surface description in all cases and which may be limited vertically by describing known geological formations should conditions dictate this to be desirable.

**History: En. Sec. 1, Ch. 237, L. 1961; amd. Sec. 16, Ch. 280, L. 1965; amd. Sec. 1, Ch. 307, L. 1971; amd. Sec. 40, Ch. 452, L. 1973; amd. Sec. 167, Ch. 253, L. 1974; amd. Sec. 8, Ch. 460, L. 1977; R.C.M. 1947, 89-2911(part); amd. Sec. 1, Ch. 561, L. 1979.**

**85-2-502. Administrative rules.** The board may prescribe and the department shall enforce reasonable rules concerning and providing for inspection and entry for that purpose by the department, the circumstances under which the construction of weirs or other measuring devices may be required, and such other similar matters as are required by and consistent with the administration of this part.

**History: En. Sec. 21, Ch. 237, L. 1961; amd. Sec. 177, Ch. 253, L. 1974; R.C.M. 1947, 89-2931.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**85-2-503. Controlled groundwater subareas.** For purposes of administration, large groundwater areas may be divided into convenient administrative units known as subareas.

**History: En. Sec. 1, Ch. 237, L. 1961; amd. Sec. 16, Ch. 280, L. 1965; amd. Sec. 1, Ch. 307, L. 1971; amd. Sec. 40, Ch. 452, L. 1973; amd. Sec. 167, Ch. 253, L. 1974; amd. Sec. 8, Ch. 460, L. 1977; R.C.M. 1947, 89-2911(part).**

**85-2-504. Standards for determining fresh water.** Fresh water shall be considered to be water fit for domestic, livestock, or agricultural use. The department, after notice and hearing, may fix definite standards for determining fresh water in any controlled groundwater area or subarea of the state.

**History: En. Sec. 1, Ch. 237, L. 1961; amd. Sec. 16, Ch. 280, L. 1965; amd. Sec. 1, Ch. 307, L. 1971; amd. Sec. 40, Ch. 452, L. 1973; amd. Sec. 167, Ch. 253, L. 1974; amd. Sec. 8, Ch. 460, L. 1977; R.C.M. 1947, 89-2911(part).**

**Cross-References**

Water quality — classification and standards, Title 75, ch. 5, part 3.

**85-2-505. Waste and contamination of groundwater prohibited.** (1) No groundwater may be wasted. The department shall require all wells producing waters which contaminate other waters to be plugged or capped. It shall also require all flowing wells to be so capped or equipped with valves that the flow of water can be stopped when the water is not being put to beneficial use. Likewise, both flowing and nonflowing wells shall be so constructed and maintained as to prevent the waste, contamination, or pollution of groundwater through leaky casings, pipes, fittings, valves, or pumps either above or below the land surface, provided, however, in the following cases the withdrawal or use of groundwater shall not be construed as waste under this part:

(a) the withdrawal of reasonable quantities of groundwater in connection with the construction, development, testing, or repair of a well or other means of withdrawal of groundwater;

(b) the inadvertent loss of groundwater owing to breakage of a pump, valve, pipe, or fitting, if reasonable diligence is shown by the person in effecting the necessary repair;

(c) the disposal of groundwater without further beneficial use that must be withdrawn for the sole purpose of improving or preserving the utility of land by draining the same or that must be removed from a mine to permit mining operations or to preserve the mine in good condition;

(d) the disposal of groundwater used in connection with producing, reducing, smelting, and milling metallic ores and industrial minerals or that displaced from an aquifer by the storage of other mineral resources.

(2) The department at any time may hold a hearing on its own motion or upon petition signed by a representative body of users of groundwater in any area or subarea to determine whether the water supply within such area or subarea is used in compliance with this part.

**History: En. Sec. 16, Ch. 237, L. 1961; amd. Sec. 173, Ch. 253, L. 1974; amd. Sec. 47, Ch. 460, L. 1977; R.C.M. 1947, 89-2926.**

**Cross-References**

Water quality, Title 75, ch. 5.

Prevention of waste, 85-2-114.

Permit for conversion of nonproductive oil or gas well, 85-2-303.

Drainage districts, Title 85, ch. 8.

**85-2-506. Controlled groundwater areas — designation or modification.** (1) The board may designate or modify controlled groundwater areas as provided in this part.

(2) Designation or modification of an area of controlled groundwater use may be proposed to the board by the department on its own motion or by petition signed by at least 20 or one-fourth of the users (whichever is the lesser number) of groundwater in a groundwater area wherein there are alleged to be facts showing:

(a) that groundwater withdrawals are in excess of recharge to the aquifer or aquifers within such groundwater area;

(b) that excessive groundwater withdrawals are very likely to occur in the near future because of consistent and significant increases in withdrawals from within the groundwater area;

(c) that significant disputes regarding priority of rights, amounts of groundwater in use by appropriators, or priority of type of use are in progress within the groundwater area;

(d) that groundwater levels or pressures in the area in question are declining or have declined excessively; or

(e) that excessive groundwater withdrawals would cause contaminant migration and a degradation of groundwater quality within the groundwater area.

(3) When such a proposal is thus made, the board shall fix a time and place for a hearing, which time shall not be less than 90 days from the making of the proposal. The place for the hearing shall be within or as close as practical to the controlled groundwater area.

(4) The department shall publish a notice of the hearing, setting forth therein:

(a) the names of the petitioners;

(b) the description by legal subdivisions (section, township, range) of all lands included in or proposed to be included in the groundwater area or subarea;

(c) the purpose of the hearing; and

(d) the time and place of the hearing where any interested person may appear, either in person or by attorney, file written objections to the granting of the proposal, and be fully heard.

(5) Such notice of hearing shall be published at least once in each week for 3 successive weeks not less than 30 days before the date of the hearing in a newspaper of general circulation in the county or counties in which the groundwater area or subarea is located. The department shall also cause a copy of the notice, together with a copy of the petition, to be served by mail, not less than 30 days before the hearing, upon each well driller licensed in Montana whose address is within any county in which any part of the area in question is located; upon each person or public agency known from an examination of the records in the department's office to be a claimant or appropriator of groundwater in the area in question (claimant or appropriator meaning one who diverts, impounds, or withdraws groundwater and not merely one who uses or obtains groundwater from another who diverts, impounds, or withdraws groundwater); upon the bureau; and upon the mayor or chairman of the governing body of each incorporated municipality located in whole or in part within the proposed groundwater area. The department may also serve notice upon any other person or state or federal agency that the department feels may be interested in or affected by the proposed designation or modification of a controlled groundwater area. The petition need not be served on any petitioner. A copy of the notice, together with a copy of the proposal, shall be mailed to each person at his last-known address, and such service shall be complete upon depositing it in the post office, postage prepaid, addressed to each person on whom it is to be served. Publication and mailing of such notice as prescribed herein, when completed, shall be deemed to be sufficient notice of such hearing to all interested persons.

**History: En. Sec. 4, Ch. 237, L. 1961; amd. Sec. 168, Ch. 253, L. 1974; R.C.M. 1947, 89-2914; amd. Sec. 2, Ch. 561, L. 1979; amd. Sec. 1, Ch. 189, L. 1985.**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Water well contractors, Title 37, ch. 43.

Montana coordinate system — land description, Title 70, ch. 22, part 2.

**85-2-507. Limiting withdrawals — modification of order.** (1) At the time set for the hearing, the board shall proceed to hear oral and written evidence relevant to the designation or modification of the controlled groundwater area presented by the bureau, the department, and any other interested party. A full record shall be kept of all evidence taken at the hearing. The procedure shall be such as to secure a full, fair, and orderly proceeding and to permit all relevant evidence to be received. The common-law and statutory rules of evidence shall apply only upon stipulation of all parties.

(2) After the conclusion of the hearing, the board shall make written findings and an order. The board shall by order declare the area in question to be a controlled groundwater area if the board finds on the basis of the hearing that:

(a) the public health, safety, or welfare requires a corrective control be adopted; and

(b) (i) there is a wasteful use of water from existing wells or undue interference with existing wells;

(ii) any proposed use or well will impair or substantially interfere with existing rights to appropriate surface water or groundwater by others; or

(iii) the facts alleged in the petition as required by 85-2-506(2) are true.

(3) The order shall define the boundary of the controlled groundwater area and shall indicate which of the groundwater aquifers located within the area in question are included within the controlled groundwater area. Any number of groundwater aquifers which wholly or partially overlie one another may be included in the same controlled groundwater area.

(4) The order may include the following corrective control provisions:

(a) a provision closing the controlled groundwater area to further appropriation of groundwater, in which event the department shall thereafter refuse to accept any applications for beneficial water use permits to appropriate groundwater located within such controlled area;

(b) a provision determining a permissible total withdrawal of groundwater in the controlled area by day, month, or year and permitting the board to apportion such permissible total withdrawal among the appropriators holding valid rights to the groundwater in the controlled area in accordance with the relative dates of priority of such rights;

(c) a provision according preference, without reference to relative priorities, to withdrawals of groundwater in the controlled area for domestic and livestock purposes first and thereafter to withdrawals for other beneficial purposes, including but not limited to agricultural, industrial, municipal (other than domestic), and recreational purposes, in such order as the board considers advisable under the circumstances;

(d) a provision reducing the permissible withdrawal of groundwater by any appropriator or well in the controlled area;

(e) when two or more wells in the controlled area are used by the same appropriator, a provision adjusting the total permissible withdrawal of groundwater by the appropriator or a provision forbidding the use of one or more such wells;

(f) a provision requiring and specifying a system of rotation of use of groundwater in the controlled area;

(g) provisions making such additional requirements as are necessary to protect the public health, safety, and welfare in accordance with the intent, purposes, and requirements of this part and the laws of the state.

(5) (a) If at the conclusion of the hearing the board finds that sufficient facts are not available to designate or modify a permanent controlled groundwater area, the board may by order designate the area in question to be a temporary controlled groundwater area. Such order may include the corrective control provisions contained in subsection (4). A temporary controlled groundwater area shall be designated as such for a period not to exceed 2 years from the date of the board's order designating the temporary controlled groundwater area. The board may, for sufficient cause, extend the time period for an additional 2 years, and in this case all groundwater appropriators in the controlled groundwater area shall be notified of the extension.

(b) During the 2-year period, the department shall commence studies necessary to obtain the facts needed to assist in the designation or modification of a permanent controlled groundwater area. Facts gathered during the study period shall be presented at a hearing prior to the designation or modification of a permanent controlled groundwater area. All parties appearing at the first hearing shall be served notice of this hearing by mail at least 30 days prior to the date set for the hearing. The service shall be complete upon deposit of notice at the post office, postage prepaid, addressed to each person on whom service is to be made. Mailing of the notice, when completed, shall be considered to be sufficient notice of the hearing to all persons directly affected. The department shall file in its records proof of service by its own affidavit. The hearing shall be conducted by the board in the manner of the first hearing, and the board shall make written findings of fact and conclusions of law and issue an order according to the provisions set forth in subsections (1) through (4). In the event the department does not complete the necessary study in the 2-year period or extension thereof, the temporary controlled groundwater area designation will terminate at the end of the 2-year period or extension.

(6) The department may enforce the order and bring an action for an injunction in a district court of a district in which all or part of the area affected is located, in addition to all other remedies.

(7) The order of the board shall be published and mailed by the department in the manner and for the length of time as prescribed by 85-2-506 for the publication and mailing of the notice of hearing, except that a copy of the written findings and order of the board shall be mailed instead of a copy of the proposal and, except further, that a copy of the order, together with a copy of the written findings, shall be mailed to each petitioner at his last-known address. The department shall file a copy of the order with the county clerk of each county within which any part of the controlled groundwater area lies, and the county clerk shall record the order without fee. The department shall file in its records proof of service by its own affidavit of service. Upon publication and mailing of such order as prescribed herein, the order shall be final and conclusive unless an appeal therefrom is taken.

(8) The board may by order suspend, modify, or revoke any order made as provided in this section upon such notice and in such manner as is reasonable under the circumstances. A copy of each suspension, modification, or revocation shall be served or filed and recorded as provided for orders in subsection (7).

(9) While a matter is pending before the board, the department may restrict further development of the subarea.

**History:** En. Sec. 5, Ch. 237, L. 1961; amd. Sec. 41, Ch. 452, L. 1973; amd. Sec. 169, Ch. 253, L. 1974; R.C.M. 1947, 89-2915; amd. Sec. 3, Ch. 561, L. 1979; amd. Sec. 148, Ch. 370, L. 1987.

**Cross-References**

Informal proceedings, 2-4-604.

Hearing — rules of evidence, cross-examination, judicial notice, 2-4-612.

Role and duties of County Clerk, 7-4-2611.

Evidence, Title 26.

Injunctions, Title 27, ch. 19.

Public water supply, Title 75, ch. 6, part 1.

Declaration of policy and purpose, 85-2-101.

**85-2-508. Controlled groundwater areas — permits to appropriate.** A person may appropriate groundwater in a controlled area only by applying for and receiving a permit from the department in accordance with part 3 of this chapter. The department may not grant a permit if the withdrawal would be beyond the capacity of the aquifer or aquifers in the groundwater area to yield groundwater within a reasonable or feasible pumping lift (in the case of pumping developments) or within a reasonable or feasible reduction of pressure (in the case of artesian developments).

**History:** En. Sec. 8, Ch. 237, L. 1961; amd. Sec. 43, Ch. 452, L. 1973; amd. Sec. 172, Ch. 253, L. 1974; R.C.M. 1947, 89-2918.

**Cross-References**

Application for permit, 85-2-302.

Terms of permit, 85-2-312.

**85-2-509. Administrative finding of priorities.** (1) The department, at its discretion, or any person claiming a right to withdraw groundwater (whether or not from a controlled area) may initiate a hearing by the department for the ascertainment of all existing rights to the use of the groundwater in the ground area or subarea involved. The department shall produce at the hearing a map showing and describing all the lands included in the groundwater area or subarea and copies of all data upon which any prior designation or modification order was based. The waiving or assignment of rights by mutual agreement for either temporary or extended periods shall not modify or cancel the relative priorities of the rights.

(2) After January 1, 1962, in a hearing for the ascertainment and finding of priorities involving rights to the use of groundwaters, all appropriators of groundwater or of surface water in the particular controlled area or subarea shall be included as parties and notified in the manner provided in 85-2-506.

**History:** En. Sec. 6, Ch. 237, L. 1961; amd. Sec. 170, Ch. 253, L. 1974; R.C.M. 1947, 89-2916(1), (3).

**Cross-References**

Informal disposition and hearings — waiver of administrative proceedings, 2-4-603.

Priority, 85-2-401.

Transfer of appropriation right, 85-2-403.

**85-2-510. Production of water from oil and gas wells — hearings — jurisdiction of board of oil and gas conservation.** Within any designated or modified controlled groundwater area or subarea wherein oil and/or gas wells produce either fresh, brackish, or saline water associated with oil and gas, the volume of production of which is dependent entirely on the oil and/or gas withdrawals, such production of water shall be under the prior jurisdiction of the board of oil and gas conservation. Hearings pertaining to the production, use, or disposal of water from those wells shall be held by that board in accordance with the procedures established by that board. The department may petition the board of oil and gas conservation for hearings in regard to those operations, and it shall be notified by the board of oil and gas conservation of those hearings instigated by other parties when those hearings involve operations within a controlled groundwater area or subarea.

**History: En. Sec. 6, Ch. 237, L. 1961; amd. Sec. 170, Ch. 253, L. 1974; R.C.M. 1947, 89-2916(2).**

**Cross-References**

Abandoned oil and gas wells — reclamation, Title 82, ch. 10, part 4.

Regulation by Board of Oil and Gas Conservation, Title 82, ch. 11, part 1.

Permit for conversion of nonproductive oil or gas well, 85-2-303.

**85-2-511. Scope of administrative hearing.** (1) In a hearing for the ascertainment and finding of priorities to the use of groundwater, the department in its finding and order shall confirm, modify, alter, or amend any prior order designating and modifying the boundaries of the groundwater area or subarea involved, as the evidence justifies; shall determine the priority of rights and the quantity of groundwater to which each appropriator who is a party to the proceedings is entitled in the particular groundwater area or subarea; and shall find and determine any other matter necessary to the ascertainment of priorities of such existing rights to groundwater. It may also determine the level below which the groundwater may not be drawn by appropriators. The department shall act in administering and enforcing the order, as provided in 85-2-507.

(2) A copy of the order shall be recorded in the office of the clerk and recorder of each county in which the particular groundwater area or subarea is located. If the order is not appealed, the order of the department shall be final and conclusive when it is published and mailed as provided for orders issued under 85-2-507.

**History: En. Sec. 7, Ch. 237, L. 1961; amd. Sec. 42, Ch. 452, L. 1973; amd. Sec. 171, Ch. 253, L. 1974; R.C.M. 1947, 89-2917.**

**Cross-References**

Informal disposition and hearings — waiver of administrative proceedings, 2-4-603.

Hearing — rules of evidence, cross-examination, judicial notice, 2-4-612.

Role and duties of County Clerk, 7-4-2611.

**85-2-512. Investigations.** (1) The department shall compile information for the purpose of enabling it to comply with this part. In compiling this information, the department shall make use of investigations, technical personnel, surveys, and information available from the Montana bureau of mines and geology, the United States geological survey, the board of oil and gas conservation, the department of health and environmental sciences, and any other private, state, or governmental agency.

(2) In addition to the foregoing, the department may request specific investigations by the preceding public agencies where desired information is not otherwise available.

**History: En. Sec. 23, Ch. 237, L. 1961; amd. Sec. 179, Ch. 253, L. 1974; R.C.M. 1947, 89-2933.**

**Cross-References**

Bureau of Mines and Geology — purpose, 20-25-212.

Water quality, Title 75, ch. 5.

Board of Oil and Gas Conservation, Title 82, ch. 11, part 1.

**85-2-513. Administration of oaths and subpoena of witnesses.** The department may administer oaths and issue subpoenas for the attendance of witnesses in any investigation, hearing, or proceeding held by it.

**History: En. Sec. 24, Ch. 237, L. 1961; amd. Sec. 180, Ch. 253, L. 1974; R.C.M. 1947, 89-2934.**

**Cross-References**

Oaths, Title 1, ch. 6, part 1.

Subpoena, Rule 45, M.R.Civ.P. (see Title 25, ch. 20).

**85-2-514. Inspection of wells.** The department, the state bureau of mines and geology, or the department of health and environmental sciences may enter on the property of any appropriator where a well is situated, at any reasonable hour of the day, for the purpose of investigating any matters in connection with this part.

**History: En. Sec. 17, Ch. 237, L. 1961; amd. Sec. 174, Ch. 253, L. 1974; R.C.M. 1947, 89-2927.**

**Cross-References**

Department of Health and Environmental Sciences, Title 2, ch. 15, part 21.

Bureau of Mines and Geology — purpose, 20-25-212.

Entry on land, 85-2-115.

**85-2-515. Information available to public.** Such information as is required or secured under the provisions hereof shall constitute public records and as such shall be available to the public at all reasonable times.

**History: En. Sec. 18, Ch. 237, L. 1961; R.C.M. 1947, 89-2928.**

**Cross-References**

Right to know, Art. II, sec. 9, Mont. Const.

Public records, Title 2, ch. 6.

**85-2-516. Well logs.** Within 60 days after any well is completed, the driller shall file with the department a well log report on a form provided by the department at its offices and at the offices of the county clerk and recorders. The department may return the report for refiling if it is incomplete or incorrect. The department shall provide a copy of the complete and correct well log to the Montana bureau of mines and geology.

**History: En. 89-2928.1 by Sec. 44, Ch. 452, L. 1973; amd. Sec. 175, Ch. 253, L. 1974; R.C.M. 1947, 89-2928.1.**

**Cross-References**

Measurement of water, 85-2-103.

Department duties, 85-2-112.

**85-2-517. Reports by water well drillers.** The forms, reports, and information required to be filed by this part are in addition to all other reports and information which the drillers of water wells in the state are required by law to file with agencies of the state.

**History: En. Sec. 19, Ch. 237, L. 1961; amd. Sec. 48, Ch. 460, L. 1977; R.C.M. 1947, 89-2929.**

**Cross-References**

Water well contractors, Title 37, ch. 43.

**85-2-518. Groundwater supervisors.** The department may appoint one or more groundwater supervisors for each designated controlled area and may appoint one or more groundwater supervisors at large. Within their respective jurisdictions and under the direction of the department, the groundwater supervisors and supervisors at large shall supervise the withdrawal of groundwater and the carrying out of orders issued by the department.

**History: En. Sec. 22, Ch. 237, L. 1961; amd. Sec. 178, Ch. 253, L. 1974; R.C.M. 1947, 89-2932.**

**85-2-519. Hearings before the board.** (1) A person who is aggrieved by a final decision of the department under this part is entitled to a hearing before the board.

(2) The Montana Administrative Procedure Act governs administrative proceedings under this part.

**History: En. 89-2934.1 by Sec. 45, Ch. 452, L. 1973; amd. Sec. 181, Ch. 253, L. 1974; R.C.M. 1947, 89-2934.1.**

**Cross-References**

Hearing — rules of evidence, cross-examination, judicial notice, 2-4-612.

**85-2-520. Penalties.** Any person who violates or refuses or neglects to comply with any provision of this part or of any order or rule promulgated by the department or the board or who commits waste shall be guilty of a misdemeanor and upon conviction shall be fined not less than $25 or more than $250 for each offense.

**History: En. Sec. 26, Ch. 237, L. 1961; amd. Sec. 182, Ch. 253, L. 1974; R.C.M. 1947, 89-2936.**

**Cross-References**

Classification of offenses, 45-1-201.

Misdemeanor defined, 45-2-101.

## Part 6

## Yellowstone River Basin

**Part Cross-References**

Diversions from the Yellowstone River Basin, Title 85, ch. 2, part 8.

Yellowstone River Compact, Title 85, ch. 20, part 1.

**85-2-601. Statement of legislative findings and policy.** The legislature, noting that appropriations have been claimed, that applications have been filed for, and that there is further widespread interest in making substantial appropriations of water in the Yellowstone River basin, finds that these appropriations threaten the depletion of Montana's water resources to the significant detriment of existing and projected agricultural, municipal, recreational, and other uses and of wildlife and aquatic habitat. The legislature further finds that these appropriations foreclose the options to the people of this state to utilize water for other future beneficial purposes, including municipal water supplies, irrigation systems, and minimum flows for the protection of existing rights and aquatic life. The legislature, pursuant to its mandate and authority under Article IX of the Montana constitution, declares that it is the policy of this state that before these proposed appropriations are acted upon, existing rights to water in the Yellowstone basin must be accurately determined for their protection and that reservations of water within the basin must be established as rapidly as possible for the preservation and protection of existing and future beneficial uses.

**History: En. 89-8-103 by Sec. 1, Ch. 116, L. 1974; R.C.M. 1947, 89-8-103.**

**Cross-References**

Environmental protection and improvement, Art. IX, sec. 1, Mont. Const.

Water rights, Art. IX, sec. 3, Mont. Const.

Department powers over state waters, 85-1-204.

Negotiations with other states by the Department, 85-1-223.

Declaration of policy and purpose, 85-2-101.

**85-2-602. Definitions.** Unless the context clearly requires otherwise, in this part the following definitions apply:

(1) (a) "Application" means an application for a permit under part 3 of this chapter to appropriate surface water from any source of supply within the basin for either or both of the following purposes:

(i) a reservoir with a total planned capacity of 14,000 acre-feet or more; or

(ii) for a flow rate greater than 20 cubic feet of water per second.

(b) The term also includes an application for approval under 85-2-402 to change the purpose of use.

(2) "Basin" means the Yellowstone River basin.

(3) "Reservation" means a reservation of water provided for by 85-2-316.

**History: En. 89-8-104 by Sec. 2, Ch. 116, L. 1974; R.C.M. 1947, 89-8-104(Intro.), (2) thru (4).**

**85-2-603. Suspension of action.** (1) The department may not grant or otherwise take any action on an application until one of the following first occurs:

(a) The board of natural resources and conservation makes a final determination on the applications for reservations of water in the basin filed before January 1, 1977, in accordance with 85-2-316;

(b) A final determination of existing rights has been made in the source of supply in accordance with part 2 of this chapter; or

(c) January 1, 1978; however, if a court stays or enjoins the continuance of proceedings on any pending application for reservation of water in the basin filed before January 1, 1977, and such stay or injunction prevents the board from making a final determination on such application before January 1, 1978, the court shall extend this date by the length of delay incurred. The court may not extend this date beyond January 15, 1979.

(2) A reservation established before such application for permit is granted is a preferred use over the right to appropriate water pursuant to the permit, and the permit, if granted, shall be issued subject to that preferred use.

**History: En. 89-8-105 by Sec. 3, Ch. 116, L. 1974; amd. Sec. 1, Ch. 26, L. 1977; R.C.M. 1947, 89-8-105.**

**85-2-604. When department may suspend action.** The department may suspend action on applications not meeting the definition of application in 85-2-602 if it determines, after a public hearing conducted under the contested case procedures of the Montana Administrative Procedure Act, that the cumulative impact of those applications, if granted, would be contrary to the policies and purposes of this part. If the department suspends action on such applications, the provisions of 85-2-603 apply.

**History: En. 89-8-106 by Sec. 4, Ch. 116, L. 1974; R.C.M. 1947, 89-8-106.**

**Cross-References**

Contested case hearing, 2-4-612.

**85-2-605. Reservations.** The department may apply for reservations and shall, as rapidly as possible, assist other appropriate state agencies and political subdivisions in applying for reservations within the basin. The United States or any agency thereof may apply for reservation of water in the basin under 85-2-316 for beneficial use of that water in the state of Montana.

Particular emphasis shall be given to applications to reserve water for agricultural, municipal, and minimum flow purposes for the protection of existing rights and aquatic life.

**History:** **En. 89-8-107 by Sec. 5, Ch. 116, L. 1974; amd. Sec. 10, Ch. 416, L. 1977; R.C.M. 1947, 89-8-107.**

**Cross-References**

Negotiations with other states by the Department, 85-1-223.

Department powers, 85-2-111.

**85-2-606. Application of part.** This part applies to applications currently pending with the department, as well as applications filed with the department after March 11, 1974.

**History:** **En. 89-8-108 by Sec. 6, Ch. 116, L. 1974; R.C.M. 1947, 89-8-108.**

**85-2-607. Utility facilities.** This part does not apply to applications to appropriate water for use by a utility facility for which a certificate of environmental compatibility and public need is granted pursuant to the Montana Major Facility Siting Act.

**History:** **En. 89-8-109 by Sec. 7, Ch. 116, L. 1974; R.C.M. 1947, 89-8-109.**

**Cross-References**

Montana Major Facility Siting Act — certification proceedings, Title 75, ch. 20, part 2.

**85-2-608. Certain changes of use allowed.** Notwithstanding any provision of this part, the department may approve a change of purpose of use to agricultural, irrigation, domestic, and municipal uses if it determines that the change is not contrary to the policies and purposes of this part.

**History:** **En. 89-8-110 by Sec. 8, Ch. 116, L. 1974; R.C.M. 1947, 89-8-110.**

**Cross-References**

Changes in appropriation rights, 85-2-402.

## Part 7

## Indian and Federal Water Rights

**Part Cross-References**

Indian lands recognized to be under federal jurisdiction, Art. I, Mont. Const.

Reserved Water Rights Compact Commission, 2-15-212.

Fort Peck-Montana Compact, Title 85, ch. 20, part 2.

**85-2-701. Legislative intent.** (1) Because the water and water rights within each water division are interrelated, it is the intent of the legislature to conduct unified proceedings for the general adjudication of existing water rights under the Montana Water Use Act. Therefore, it is the intent of the legislature that the attorney general's petition required in 85-2-211 include all claimants of reserved Indian water rights as necessary and indispensable parties under authority granted the state by 43 U.S.C. 666. However, it is further intended that the state of Montana proceed under the provisions of this part in an effort to conclude compacts for the equitable division and apportionment of waters between the state and its people and the several Indian tribes claiming reserved water rights within the state.

(2) To the maximum extent possible, the reserved water rights compact commission established under 2-15-212 should make the negotiation of water

rights claimed by the federal government or Indian tribes in or affecting the basins identified by 85-2-218 its highest priority.

**History: En. Sec. 27, Ch. 697, L. 1979; amd. Sec. 9, Ch. 651, L. 1987.**

**Cross-References**

Reserved Water Rights Compact Commission, 2-15-212.

Policy considerations, 85-1-101.

Negotiations with other states by the Department, 85-1-223.

Declaration of policy and purpose, 85-2-101.

Statement of claim for federal reserved water rights, 85-2-224.

Final decree, 85-2-234.

**85-2-702. Negotiation with Indian tribes.** (1) The reserved water rights compact commission, created by 2-15-212, may negotiate with the Indian tribes or their authorized representatives jointly or severally to conclude compacts authorized under 85-2-701. Compact proceedings shall be commenced by the commission. The commission shall serve by certified mail directed to the governing body of each tribe a written request for the initiation of negotiations under this part and a request for the designation of an authorized representative of the tribe to conduct compact negotiations. Upon receipt of such written designation from the governing body of a tribe, compact negotiations shall be considered to have commenced.

(2) When the compact commission and the Indian tribes or their authorized representatives have agreed to a compact, they shall sign a copy and file an original copy with the department of state of the United States of America and copies with the secretary of state of Montana and with the governing body for the tribe involved. The compact is effective and binding upon all parties upon ratification by the legislature of Montana and any affected tribal governing body, and approval by the appropriate federal authority.

(3) Upon its ratification by the Montana legislature and the tribe, the terms of a compact must be included in the preliminary decree as provided by 85-2-231, and unless an objection to the compact is sustained under 85-2-233, the terms of the compact must be included in the final decree without alteration. However, if approval of the state legislature and tribe has not been accomplished by July 1, 1993, all Indian claims for reserved water rights that have not been resolved by a compact must be filed with the department within 6 months. These new filings shall be used in the formulation of the preliminary decree and shall be given treatment similar to that given to all other filings.

**History: En. Sec. 27, Ch. 697, L. 1979; amd. Sec. 8, Ch. 268, L. 1981; amd. Sec. 6, Ch. 667, L. 1985; amd. Sec. 2, Ch. 358, L. 1987.**

**Cross-References**

Jurisdiction on Indian lands, Title 2, ch. 1, part 3.

**85-2-703. Negotiation with federal government.** The compact commission may also enter into separate negotiations with the federal government for the conclusion of compacts concerning the equitable division and apportionment of water between the state and its people and the federal government claiming non-Indian reserved waters within the state. The terms and conditions of such negotiations shall be the same as provided in this section for negotiations with Indian tribes.

**History: En. Sec. 27, Ch. 697, L. 1979.**

**Cross-References**

Negotiations with other states by the Department, 85-1-223.

**85-2-704. Termination of negotiations.** (1) The commission or any negotiating tribe or federal agency may terminate negotiations by providing notice to all parties 30 days in advance of the termination date. On the termination date, the suspension of the application of part 2 provided for in 85-2-217 shall also terminate. The tribe or federal agency shall file all of its claims for reserved rights within 6 months of the termination of negotiations.

(2) Once negotiations have been terminated pursuant to subsection (1), they may be reopened only by mutual agreement of the parties.

**History: En. Sec. 27, Ch. 697, L. 1979; amd. Sec. 9, Ch. 268, L. 1981; amd. Sec. 7, Ch. 667, L. 1985.**

**85-2-705. Status reports to chief water judge.** (1) The Montana reserved water rights compact commission must submit to the chief water judge, appointed pursuant to 3-7-221, a report on the status of its negotiations on July 1, 1985, and every 6 months thereafter.

(2) Each report must state which Indian tribes and federal agencies are engaged in negotiations, whether any negotiations with Indian tribes or federal agencies have been terminated, and the progress of negotiations on a tribe-by-tribe and agency-by-agency basis. The report must be made available to the public.

**History: En. Sec. 8, Ch. 667, L. 1985.**

## Part 8

## Diversions From the Yellowstone River Basin

**85-2-801. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Basin" means the Yellowstone River Basin.

(2) "Compact" means the Yellowstone River Compact provided for in 85-20-101.

**History: En. Sec. 1, Ch. 581, L. 1981.**

**85-2-802. Authority to approve diversions.** The department may consent on behalf of the state of Montana to diversions of water from the basin pursuant to Article X of the compact, including diversions of water allocated under the terms of the compact to the other signatory states of Wyoming and North Dakota.

**History: En. Sec. 2, Ch. 581, L. 1981.**

**85-2-803. Legislative review.** (1) A diversion of water from the basin pursuant to Article X of the compact consented to by the department under the provisions of this part may not be made until one of the following occurs, whichever is later:

(a) the legislature ratifies the first determination of the department to consent to a diversion of water from the basin pursuant to Article X of the compact; or

(b) July 1, 1983.

(2) A decision by the department to disapprove a diversion of water is not subject to legislative approval.

**History:** **En. Sec. 3, Ch. 581, L. 1981.**

**85-2-804. Application — notice — objections — hearing.** (1) Any appropriator proposing to divert from the basin water allocated to Montana under the terms of the compact or divert from the basin unallocated compact water within Montana shall file an application with the department. The application must state the name and address of the applicant and facts tending to show that:

(a) the diversion and ultimate use of the water in Montana is for a beneficial use of water;

(b) the diversion and ultimate use of water will not adversely affect the water rights of other persons;

(c) the proposed means of diversion, construction, and operation are adequate;

(d) the diversion and ultimate use will not interfere unreasonably with other planned uses or developments for which a water right has been established or a permit has been issued or for which water has been reserved;

(e) the diversion and ultimate use of the water will not exceed the allocated share under the compact of any of the signatory states;

(f) the diversion and ultimate use of the water are in the public interest of Montana; and

(g) the applicant intends to comply with the laws of the signatory states to the compact.

(2) Any appropriator proposing to divert from the basin water allocated to North Dakota or Wyoming under the terms of the compact or divert from the basin unallocated compact water within North Dakota or Wyoming shall file an application with the department. The application must state the name and address of the applicant and facts tending to show that:

(a) the proposed means of diversion, construction, and operation are adequate;

(b) the diversion and ultimate use of the water will not exceed the allocated share under the compact of any of the signatory states; and

(c) the applicant intends to comply with the compact.

(3) Notice of the proposed diversion must be given by the department in the same manner as provided in subsections (1) and (2) of 85-2-307.

(4) An objection to an application must be filed by the date specified by the department in the notice.

(5) The objector to an application under subsection (1) shall state his name and address and facts tending to show that:

(a) the diversion and ultimate use of the water in Montana are not for a beneficial use of water;

(b) the property, rights, or interests of the objector would be adversely affected by the proposed diversion or ultimate use of the water;

(c) the proposed means of diversion, construction, and operation are not adequate;

(d) the diversion and ultimate use will interfere unreasonably with the objector's planned uses or development for which the objector has a water right, a permit, or a reserved water right;

(e) the diversion and ultimate use of the water will exceed the allocated share under the compact of any signatory state; or

(f) the diversion and ultimate use of the water are not in the public interest of Montana.

(6) The objector to an application under subsection (2) shall state his name and address and facts tending to show that:

(a) the property, rights, or interests of the objector would be adversely affected by the proposed diversion or ultimate use of the water;

(b) the proposed means of diversion, construction, and operation are not adequate; or

(c) the diversion and ultimate use of the water will exceed the allocated share under the compact of any signatory state.

(7) If the department receives an objection to an application, it shall hold a hearing on the application within 60 days from the date set by the department for filing objections. Service of notice of the hearing must be made by certified mail upon the applicant and the objector.

(8) The hearing shall be conducted under the contested case procedures of the Montana Administrative Procedure Act in Title 2, chapter 4, part 6.

**History: En. Sec. 4, Ch. 581, L. 1981.**

**85-2-805. Criteria for approval — terms.** (1) The department may issue its approval of a diversion of water allocated to Montana under the terms of the compact or unallocated compact water diverted in Montana if:

(a) the diversion and the ultimate use of the water in Montana are for a beneficial use of water;

(b) the diversion and ultimate use of water will not adversely affect the water rights of other persons;

(c) the proposed means of diversion, construction, and operation are adequate;

(d) the diversion and ultimate use will not interfere unreasonably with other planned uses or developments for which a water right has been established or a permit has been issued or for which water has been reserved;

(e) the diversion and ultimate use of water will not exceed the allocated share under the compact of any of the signatory states;

(f) the diversion and ultimate use of the water are in the public interest of Montana; and

(g) the applicant signs an agreement to comply with the laws of the signatory states to the compact in constructing, operating, and maintaining all facilities associated with the diversion and ultimate use of the water.

(2) The department may approve a diversion of water allocated to North Dakota or Wyoming or unallocated compact water diverted in North Dakota or Wyoming if the diversion will not adversely affect the property, rights, or interests of an appropriator located in Montana and if the diversion and ultimate use of water will not exceed the allocated share under the compact of any of the signatory states.

(3) The department may approve a diversion subject to such terms, conditions, restrictions, and limitations as it considers necessary to meet the applicable criteria listed in subsection (1) or (2).

**History: En. Sec. 5, Ch. 581, L. 1981.**

**85-2-806. Combined proceeding.** The department, upon petition by the applicant, may consider and act upon any application for diversion of water from the basin filed pursuant to the provisions of this part in conjunction with any board proceedings involving the siting of a facility or associated facilities conducted under the provisions of Title 75, chapter 20, part 4, as amended, or in conjunction with any departmental proceeding involving the issuance of a permit or approval of a change conducted under Title 85, chapter 2, as amended, if in the opinion of the department consideration of both applications in the same proceeding will better enable the board and department to fulfill their functions, duties, and responsibilities under the provisions of Title 75, chapter 20, part 4, or Title 85, chapter 2, and this part. The department's consent to the diversion of Montana water out of the basin for ultimate use in a facility as defined in Title 75, chapter 20, shall be contingent upon the department's issuance of a certificate for the facility in accordance with Title 75, chapter 20. The department's consent shall terminate 10 years after the date of issuance of the consent unless the board issues the certificate for the facility in accordance with Title 75, chapter 20, and approval of North Dakota and Wyoming is secured in accordance with Article X of the compact or unless consent is extended by the department.

**History: En. Sec. 6, Ch. 581, L. 1981.**

**85-2-807. Department authorized to appear in administrative and legal proceedings.** The department may appear on behalf of the state of Montana in proceedings before the legislatures and administrative agencies of the other signatory states to the compact and in legal proceedings commenced in federal or state court within the other signatory states involving the consent of such signatory states to diversions of water from the basin under Article X of the compact and any other laws or rules of such signatory states applicable to such diversions to the extent necessary to protect the interests and the citizens of Montana in those proceedings.

**History: En. Sec. 7, Ch. 581, L. 1981.**

# CHAPTER 3

## ATMOSPHERIC WATER
## WEATHER MODIFICATION

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## Part 1

## General Provisions

**85-3-101. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Board" means the board of natural resources and conservation provided for in 2-15-3302.

(2) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(3) "Operation" means the performance of weather modification and control activities entered into for the purpose of producing or attempting to produce a certain modifying effect within one geographical area over one continuing time interval not exceeding 1 year.

(4) "Research and development" means theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(5) "Weather modification and control" means changing or controlling or attempting to change or control, by artificial methods, the natural development of atmospheric cloud forms or precipitation forms which occur in the troposphere.

**History: (1), (2), (4), (5)En. Sec. 1, Ch. 20, L. 1967; amd. Sec. 1, Ch. 368, L. 1973; amd. Sec. 140, Ch. 253, L. 1974; Sec. 89-310, R.C.M. 1947; (3)En. Sec. 10, Ch. 20, L. 1967; amd. Sec. 5, Ch. 460, L. 1977; Sec. 89-319, R.C.M. 1947; R.C.M. 1947, 89-310, 89-319(2).**

**85-3-102. Standards for research in weather modification control.** The board may establish by rule standards and instructions to govern the carrying out of research and development or projects in weather modification and control as it deems necessary or desirable to minimize danger to health, safety, welfare, or property.

**History: En. Sec. 3, Ch. 368, L. 1973; amd. Sec. 141, Ch. 253, L. 1974; R.C.M. 1947, 89-312.1.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

**85-3-103. Department powers.** In addition to any other acts authorized by law, the department may:

(1) acquire materials, equipment, and facilities as are necessary to perform its duties under this chapter;

(2) receive any funds which may be offered or become available from federal grants or appropriations, private gifts, donations, bequests, or any other source and unless their use is restricted, expend the funds for the administration of this chapter;

(3) make such studies and investigations and obtain such information as the department may deem necessary in exercising its authority in the administration or enforcement of this chapter;

(4) cooperate with public or private agencies in the performance of the department's functions or duties and in furtherance of the purposes of this chapter;

(5) represent the state in any and all matters pertaining to plans, procedures, or negotiations for interstate compacts relating to weather modification and control;

(6) enter into cooperative agreements with the United States government or any of its agencies, with the various counties and cities of this state, or with any private or public agencies for conducting weather modification or cloud seeding operations;

(7) act for and represent the state and the counties, cities, and private or public agencies in contracting with private concerns for the performance of weather modifications or cloud seeding operations; and

(8) conduct and make arrangements, including contracts and agreements, for the conduct of research and development activities relating to:

(a) the identification and evaluation of meteorological, environmental, ecological, agricultural, economic, hydrological, and sociological impacts of weather modification in Montana;

(b) the theory and development of methods of weather modification and control, including processes, materials, and devices relating thereto;

(c) the utilization of weather modification and control for agricultural, industrial, commercial, recreational, and other purposes;

(d) the protection of life and property during research and operational activities.

**History: En. Sec. 3, Ch. 20, L. 1967; amd. Sec. 2, Ch. 368, L. 1973; R.C.M. 1947, 89-312.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Conformity to federal regulations authorized, 85-1-222.

Department powers, 85-2-111.

**85-3-104. Nonliability of state and agents for acts of private persons.** Nothing in this chapter shall be construed to impose or accept any liability or responsibility on the part of the state, the board, the department, or any state officials or employees for any weather modification and control activities of any private person or group.

**History: En. Sec. 21, Ch. 20, L. 1967; amd. Sec. 152, Ch. 253, L. 1974; R.C.M. 1947, 89-330.**

**Cross-References**

State subject to suit, Art. II, sec. 18, Mont. Const.

**85-3-105. Violation as misdemeanor and continuing violations.** A person violating any provision of this chapter is guilty of a misdemeanor, and a continuing violation is punishable as a separate offense for each day during which it occurs.

**History: En. Sec. 22, Ch. 20, L. 1967; R.C.M. 1947, 89-331.**

**Cross-References**

Classification of offenses, 45-1-201.

"Misdemeanor" defined 45-2-101.

Misdemeanor — when no penalty specified, 46-18-212.

## Part 2

## Licenses and Permits

**85-3-201. License and permit required for weather modification and control.** No person shall engage in activities for weather modification and control except under and in accordance with a license and a permit issued by the board authorizing such activities.

**History: En. Sec. 4, Ch. 20, L. 1967; R.C.M. 1947, 89-313.**

**85-3-202. Department to review applications.** The department shall review all applications for weather modification activities, and the board may provide by rule for exempting from the license and permit requirements of this chapter:

(1) research, development, and experiments by state and federal agencies, institutions of higher learning, and bona fide nonprofit research organizations and their agents;

(2) laboratory research and experiments;

(3) activities of an emergency character for protection against fire, frost, sleet, or fog; and

(4) activities normally engaged in for purposes other than those of inducing, increasing, decreasing, or preventing precipitation or hail.

**History: En. Sec. 5, Ch. 20, L. 1967; amd. Sec. 4, Ch. 368, L. 1973; amd. Sec. 142, Ch. 253, L. 1974; R.C.M. 1947, 89-314.**

**Cross-References**
Adoption of rules, Title 2, ch. 4, part 3.
Research programs — powers of university units, 20-25-108.

**85-3-203. Licenses — qualifications of licensees.** The license to engage in activities for weather modification and control shall be issued, in accordance with procedures and subject to conditions the board may by rule establish to effectuate the provisions of this chapter, to applicants who demonstrate competence in the field of meteorology to the satisfaction of the board. If the applicant is an organization, these requirements must be met by the individual who will be in charge of the operation for the applicant.

**History:** En. Sec. 6, Ch. 20, L. 1967; R.C.M. 1947, 89-315.

**85-3-204. Licenses — term and renewal.** The license shall be issued for a period to expire at the end of the calendar year in which it is issued and, if the licensee possesses the qualifications necessary for the issuance of a new license, shall upon application be renewed at the expiration of the period.

**History:** En. Sec. 7, Ch. 20, L. 1967; R.C.M. 1947, 89-316.

**85-3-205. License or renewal fee.** A license shall be issued or renewed only upon the payment to the department of $100 for the license or renewal.

**History:** En. Sec. 8, Ch. 20, L. 1967; amd. Sec. 143, Ch. 253, L. 1974; R.C.M. 1947, 89-317.

**85-3-206. Permits — requirements and hearing.** (1) The permits shall be issued in accordance with procedures and subject to conditions the board may by rule establish to effectuate this chapter, only if:

(a) the applicant is licensed pursuant to this chapter;

(b) sufficient notice of intention is published;

(c) an applicant furnishes proof of financial responsibility in an amount to be determined by the board as required in 85-3-211;

(d) the fee for the permit is paid as required in 85-3-212;

(e) the weather modification and control activities to be conducted are determined by the board to be for the general welfare and the public good.

(2) If the board determines that a hearing is necessary, the department shall hold a public hearing in the area to be affected by the issuance of the permit. The department may in its discretion assess the permit applicant for the costs incurred by the department in holding the hearing.

**History:** En. Sec. 9, Ch. 20, L. 1967; amd. Sec. 1, Ch. 214, L. 1973; amd. Sec. 5, Ch. 368, L. 1973; amd. Sec. 144, Ch. 253, L. 1974; amd. Sec. 1, Ch. 46, L. 1977; R.C.M. 1947, 89-318.

**85-3-207. Separate permit for each operation.** (1) Separate permits shall be issued for each operation.

(2) If a permit is issued, the holder of the permit shall confine his activities to the time and area limits set forth in the notice of intention, unless modified by the board. His activities shall conform to any conditions imposed by the board. The permit may not be sold or transferred.

**History:** (1)En. Sec. 10, Ch. 20, L. 1967; amd. Sec. 5, Ch. 460, L. 1977; Sec. 89-319, R.C.M. 1947; (2)En. Sec. 11, Ch. 20, L. 1967; amd. Sec. 145, Ch. 253, L. 1974; amd. Sec. 2, Ch. 46, L. 1977; Sec. 89-320, R.C.M. 1947; R.C.M. 1947, 89-319(1), 89-320(part).

**85-3-208. Notice of intention to apply for permit.** Before undertaking any weather modification and control activities, the applicant for a permit shall file with the department a notice of intention.

**History:** En. Sec. 11, Ch. 20, L. 1967; amd. Sec. 145, Ch. 253, L. 1974; amd. Sec. 2, Ch. 46, L. 1977; R.C.M. 1947, 89-320(part).

**85-3-209. Notice of intention — contents.** The notice of intention shall set forth at least the following:

(1) the name and address of the applicant;

(2) the nature, purpose, and objective of the intended operation and the person or organization on whose behalf it is to be conducted;

(3) the area in which and the approximate time during which the operation will be conducted;

(4) the area which is intended to be affected by the operation;

(5) the materials and methods to be used in conducting the operation.

**History: En. Sec. 12, Ch. 20, L. 1967; R.C.M. 1947, 89-321.**

**85-3-210. Publication of notice of intention.** (1) The department shall have the notice of intention, or that portion thereof including the items specified in 85-3-209, published at least once a week for 2 consecutive weeks in a newspaper having a general circulation and published within any county in which the operation is to be conducted and in which the affected area is located, or if the operation is to be conducted in more than one county or if the affected area is located in more than one county or is located in a county other than the one in which the operation is to be conducted, then in newspapers having a general circulation and published within each of the counties.

(2) The applicant shall reimburse the department for the costs of publication of the notice of intention.

**History: En. Sec. 12, Ch. 20, L. 1967; amd. Sec. 146, Ch. 253, L. 1974; amd. Sec. 3, Ch. 46, L. 1977; R.C.M. 1947, 89-322.**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-3-211. Proof of financial responsibility by applicant.** Proof of financial responsibility may be furnished by an applicant by his showing, to the satisfaction of the board, ability to respond in damages for liability which might reasonably be attached to or result from his weather modification and control activities.

**History: En. Sec. 14, Ch. 20, L. 1967; R.C.M. 1947, 89-323.**

**85-3-212. Permit fee.** The fee to be paid by each applicant for a permit shall be equivalent to 1% of the estimated cost of such operation, the estimated cost to be computed by the department from the evidence available to it. The fee is due and payable to the department as of the date of issuance of the permit by the board; however, if the applicant is able to give satisfactory security for the payment of the balance he may be permitted to commence the operation and a permit may be issued therefor upon the payment of not less than 50% of the fee. The balance due shall be paid within 3 months from the date of termination of the operation as prescribed in the permit.

**History: En. Sec. 15, Ch. 20, L. 1967; amd. Sec. 1, Ch. 151, L. 1969; amd. Sec. 147, Ch. 253, L. 1974; R.C.M. 1947, 89-324.**

**85-3-213. State special revenue fund.** All license and permit fees and fines collected under this chapter, other than those collected in a justice's court, shall be deposited in the state special revenue fund for use by the department in the administration of this chapter.

**History:** En. Sec. 16, Ch. 20, L. 1967; amd. Sec. 1, Ch. 151, L. 1969; amd. Sec. 148, Ch. 253, L. 1974; amd. Sec. 1, Ch. 147, L. 1975; R.C.M. 1947, 89-325; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 60, Ch. 557, L. 1987.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

Fund structure, 17-2-102.

**85-3-214. Termination of licenses and permits by board.** After notice to the licensee and a reasonable opportunity for a hearing, the board may modify, suspend, revoke, or refuse to renew any license or permit issued if it appears that the licensee no longer possesses the qualifications necessary or if it appears that the licensee has violated any of the provisions of this chapter, or in the case of a modification, that it is necessary for the protection of the health or the property of any person.

**History:** En. Sec. 20, Ch. 20, L. 1967; R.C.M. 1947, 89-329.

## Part 3

## Records

**85-3-301. Records of operations maintained by licensees.** Every licensee shall keep and maintain a record of all operations conducted by him under his license and each permit, showing:

(1) the method employed;

(2) type of equipment used;

(3) kinds and amounts of material used;

(4) times and places of operation of the equipment;

(5) names and addresses of all individuals participating or assisting in the operation;

(6) any other general information as the department may require.

**History:** En. Sec. 17, Ch. 20, L. 1967; amd. Sec. 149, Ch. 253, L. 1974; R.C.M. 1947, 89-326.

**85-3-302. Reports of operations.** The department shall require written reports, in a manner as it provides, of each operation for which a permit is issued. The department shall also require reports from any organization that is exempt from license and permit requirements as provided in 85-3-202.

**History:** En. Sec. 18, Ch. 20, L. 1967; amd. Sec. 150, Ch. 253, L. 1974; R.C.M. 1947, 89-327.

**85-3-303. Records and reports open to public.** The records and reports in the custody of the department shall be open for public examination.

**History:** En. Sec. 19, Ch. 20, L. 1967; amd. Sec. 151, Ch. 253, L. 1974; R.C.M. 1947, 89-328.

**Cross-References**

Right to know, Art. II, sec. 9, Mont. Const.

Public records, Title 2, ch. 6.

## Part 4

## County Weather Modification Authorities

**Part Cross-References**

Counties, Title 7, ch. 1, part 21.

County Commissioners, Title 7, ch. 4, part 21.

**85-3-401. Definitions.** As used in this part, the following definitions apply:

(1) "Authority" means a county weather modification authority established pursuant to 85-3-411 or 85-3-413 through 85-3-415.

(2) "Commissioner" means a county weather modification authority commissioner appointed pursuant to 85-3-411 or 85-3-413 through 85-3-415.

**History:** **En. Sec. 1, Ch. 609, L. 1983.**

**85-3-402 through 85-3-410 reserved.**

**85-3-411. Weather modification authority created by petition — expiration — reinstatement.** (1) Upon receipt of a valid petition signed by at least 51% of the qualified electors of a county, as determined by the vote cast for the office of governor at the last preceding general election, a board of county commissioners may by resolution create a weather modification authority. The board of county commissioners shall appoint five residents of the county as weather modification authority commissioners from those names set forth in the petition and designated by the petitioners to be appointed commissioners. If any of the five candidates named in the petition to be appointed commissioner is unable or refuses for any reason to accept appointment as commissioner or is disqualified by not meeting residence requirements as an elector in the county, the board of county commissioners shall name an appointee to fill the position. Each commissioner shall serve a 5-year term of office. If any commissioner submits his resignation in writing to the board of county commissioners or becomes unable or disqualified for any reason after accepting office, the board of county commissioners shall name an appointee to fill the vacancy. The board of county commissioners may remove any commissioner from office whenever it appears, by competent evidence and after hearing, that the commissioner has been guilty of misconduct, malfeasance, crime in office, or gross incompetency. A vacancy occurring otherwise than by expiration of term of office must be filled for the unexpired term.

(2) Any authority created pursuant to this section expires 5 years after the date of the initial appointment of the commissioners. Any unexpended funds remaining in the name of the authority after all proper bills and expenses have been paid must be transferred into the county general fund by the officers of the authority on or before the 5-year termination date provided by this section. However, all unexpended funds remaining in the name of the authority after all proper bills and expenses have been paid shall remain in the name of the authority if the board of county commissioners of such county by resolution creates a weather modification authority and all its powers in accordance with 85-3-414.

(3) Nothing in this section prevents renewal of an authority for another 5 years by petition of the qualified electors in the same manner as the initial authority was created.

(4) If more than one petition is filed with the board of county commissioners on or about the same time, the petition with the highest percentage of the qualified county electors voting for the office of governor at the last

preceding general election must be selected by the board of county commissioners. However, the petition with the highest percentage must have the signatures of at least 40% of the qualified electors in the county, and the sum total of all qualified electors signing all petitions filed must equal at least 60% of the qualified electors in the county. If the name of the same elector appears on two or more petitions, the name must be stricken from both petitions.

**History:** **En. Sec. 2, Ch. 609, L. 1983.**

**Cross-References**

Qualified elector, Art. IV, sec. 2, Mont. Const.

Notice and opportunity to be heard, Title 2, ch. 3, part 1.

Qualifications of voter, 13-1-111.

**85-3-412. Petition content.** (1) The petition for the creation of a weather modification authority and for appointment of commissioners shall contain:

(a) a title with the heading "Petition for Creation of (insert name of county) Weather Modification Authority";

(b) the following paragraph: We, the undersigned qualified electors of (name of county), state of Montana, request that the (name of county) board of county commissioners create by resolution a (name of county) weather modification authority and appoint the following five qualified electors of the county to 5-year terms of office as commissioners for the (name of county) weather modification authority:

(Here insert the name and address of each proposed commissioner for the (name of county) weather modification authority.)

(c) the following paragraph: We, the undersigned qualified electors of the (name of county), state of Montana, are notified that the creation of the (name of county) weather modification authority and the appointment of its commissioners by the (name of county) board of county commissioners will grant the authority the power to certify to the board of county commissioners a mill levy tax not to exceed 2 mills upon the net taxable valuation of property in the county for a weather modification fund, which tax may be levied in excess of the mill levy limit fixed by law for taxes for general county purposes and that such fund must be used for weather modification activities as provided by 85-3-424. We, the undersigned, understand that the authority requested in this petition expires 5 years after the creation of the weather modification authority, except that the board of county commissioners may by resolution create a weather modification authority and all its powers, including the power to certify a tax levy as provided in 85-3-422, for one or more 5-year periods in accordance with 85-3-414.

(d) A heading, "Committee for Petitioners", followed by this statement: The following electors of (name of county), state of Montana, are authorized to represent and act for us and shall constitute the "Committee for the Petitioners" in the matter of this petition and all acts subsequent thereto.

(2) All signatures to such petition must be numbered and dated by month, day, and year. The name must be written, with residence address and post-office address, including the county of residence.

(3) An affidavit must be attached to each petition and sworn to under oath before a notary public by the person circulating each petition, attesting to the fact that he circulated the petition and that each of the signatures to

the petition is the genuine signature of the person whose name it purports to be and that each such person is a qualified elector in the county in which the petition was circulated.

**History:** **En. Sec. 3, Ch. 609, L. 1983.**

**Cross-References**

Qualified elector, Art. IV, sec. 2, Mont. Const.

Qualifications of voter, 13-1-111.

**85-3-413. Creation of authority by election.** When a petition signed by not less than 20% of the qualified electors of the county, as determined by the vote cast for the office of governor at the last preceding gubernatorial election, requesting an election upon the establishment of a weather modification authority is presented to the board of county commissioners not later than 90 days prior to the next general election, the board of county commissioners shall submit the question to the electors of the county at the next general election. Upon approval by a majority of the votes cast, the board of county commissioners shall by resolution establish an authority as described in 85-3-411 with all powers set out in this part, including the power to certify a tax levy as provided by 85-3-422.

**History:** **En. Sec. 8, Ch. 609, L. 1983.**

**Cross-References**

Qualified elector, Art. IV, sec. 2, Mont. Const.

General election, 13-1-104.

Qualifications of voter, 13-1-111.

**85-3-414. Creation of authority by resolution.** (1) When an authority is about to expire, the board of county commissioners may by resolution authorize the creation of such weather modification authority and all its powers, including the power to certify a tax levy as provided by 85-3-422, for an additional 5-year period if the resolution authorizing the creation of such authority is adopted by the board of county commissioners before the date prescribed in the preceding resolution for its termination. Upon passing such resolution for the creation of the authority, the board of county commissioners shall appoint five commissioners to 5-year terms of office, subsequently filling vacancies in the manner prescribed by 85-3-411.

(2) The board may create the authority for subsequent 5-year periods by following the procedure provided in this section.

**History:** **En. Sec. 6, Ch. 609, L. 1983.**

**Cross-References**

General authority of County Commissioners, 7-5-2101.

**85-3-415. Creation of authority by vote after resolution of county commissioners.** The board of county commissioners of any county may, by resolution after a public hearing, submit the question of the creation of a weather modification authority to the electors of the county at the next countywide election. Upon approval by a majority of the votes cast, the board of county commissioners shall pass a resolution creating an authority as described in 85-3-411. Such an authority has all powers provided by this chapter, including the authority to levy a tax as provided by 85-3-422.

**History:** **En. Sec. 10, Ch. 609, L. 1983.**

**Cross-References**

Local election administration, Title 13, ch. 1, part 3.

**85-3-416. Abolishment of authority by election.** When a petition signed by not less than 20% of the qualified electors of the county, as determined by the vote cast for governor in the last preceding gubernatorial election, requesting an election upon the abolishment of an authority created pursuant to 85-3-413 or 85-3-414 is presented to the board of county commissioners not later than 90 days prior to the next general election, the board of county commissioners shall submit the question to the electors of the county at the next general election. Upon approval by a majority of the votes cast, the board of county commissioners shall abolish the authority as of December 31 following the election. All unexpended funds remaining in the name of the authority after all proper bills and expenses have been paid must be deposited in the general fund of the county.

**History:** **En. Sec. 9, Ch. 609, L. 1983.**

**Cross-References**

General election, 13-1-104.

**85-3-417. Procedure for abolishment of authority by recall petition — petition form — disposition of funds.** (1) After 51% of the qualified electors of a county, as determined by the vote cast for the office of governor at the last preceding gubernatorial election, petition the board of county commissioners of their county to recall the commissioners of an authority created pursuant to 85-3-411 and to abolish the authority, the board of county commissioners shall adopt a resolution recalling all commissioners of such authority and abolishing their offices and the authority until a weather modification authority is created by petition in accordance with 85-3-411.

(2) A recall petition must have a title with the heading "Recall Petition for the Abolishment of (insert name of county) Weather Modification Authority". The recall petition must incorporate a paragraph stating its purpose in clear language and must comply with all requirements prescribed in subsections (1)(d), (2), and (3) of 85-3-412 relating to petition content, committee for petitioners, petition details, affidavits, and persons circulating such petitions.

(3) If the board of county commissioners adopts a resolution recalling all commissioners of a weather modification authority and abolishing the authority, all unexpended funds remaining in the name of the authority, after all proper bills and expenses have been paid, must be transferred to the county general fund by the weather modification authority commissioners on the effective date of the resolution. If outstanding valid bills are unpaid after that date, the board of county commissioners may pay such obligations from money in the county general fund.

**History:** **En. Sec. 7, Ch. 609, L. 1983.**

**Cross-References**

Montana Recall Act, Title 2, ch. 16, part 6.

**85-3-418 through 85-3-420 reserved.**

**85-3-421. Commissioners — compensation — meetings — officers — disbursements.** (1) A commissioner may receive no compensation for his services. Certificates of appointment must be filed with the county clerk and recorder.

(2) The powers of each authority are vested in its commissioners. A majority of the commissioners constitutes a quorum for the purpose of conducting the business of the authority, but action may not be taken by the authority except by an affirmative vote of not less than a majority of all the commissioners. A chairman, vice-chairman, secretary, and treasurer must be elected from among the commissioners. An authority may delegate to one or more of its commissioners such powers or duties as it considers proper.

(3) The secretary shall keep minutes of official meetings and shall include all official business, such as operations requested, and all authorizations for payment of weather modification authority funds.

(4) Disbursements authorized by the authority must be made by check signed by the chairman and the treasurer of the authority. Official policies must be entered into the minutes. An annual report must disclose funds received and expended, and a copy of the report must be filed with the county clerk and recorder. The annual report must be presented at a public meeting called for such purpose.

**History:** **En. Sec. 4, Ch. 609, L. 1983.**

**Cross-References**

Right of public participation in government, Art. II, sec. 8, Mont. Const.

Public participation in governmental operations, Title 2, ch. 3.

**85-3-422. Tax certified by weather modification authority — disposition of proceeds.** (1) The authority may certify annually to the board of county commissioners a tax of not to exceed 2 mills upon the taxable valuation of the property in the county for a weather modification fund. The tax must be levied by the board of county commissioners and may be levied in excess of the mill levy limit fixed by law for taxes for general county purposes. The weather modification fund may be used only for weather modification activities as provided by 85-3-424. The tax certified by the authority is limited to the period of existence of the authority.

(2) The money in the weather modification fund must be invested to earn interest at the rate most advantageous to the fund, consistent with law and prudent business practice.

**History:** **En. Sec. 5, Ch. 609, L. 1983.**

**Cross-References**

County taxation, Title 7, ch. 6, part 25.

Deposit and investment of public money, Title 7, ch. 6, part 2.

**85-3-423. County budget waived for first appropriation — conditions.** The provisions of 7-6-2342 apply if an emergency condition requiring prompt expenditure occurs immediately after an authority has been created by resolution of the board of county commissioners and after certification of a mill levy by the authority. In that case and only for the initial or first appropriation for the authority, the county commissioners may appropriate, from money not otherwise appropriated in the general fund, money necessary to carry out the provisions of this part. However, the appropriation may not exceed an amount equal to the amount that would be raised by a 2-mill levy upon the taxable valuation of the property in the county.

**History:** **En. Sec. 11, Ch. 609, L. 1983.**

**85-3-424. Declaration of emergency — hearing — determination of need for weather modification operation.** (1) After receiving a petition requesting an operation to increase precipitation, initiate precipitation, or suppress hail and bearing the signatures of at least 50 registered electors of the county, the commissioners of an authority shall, within 15 days after receiving the petition, publish notice of a public hearing on the request at least once in a newspaper of general circulation published within the county and conduct the hearing.

(2) If after the hearing a majority of the commissioners finds that a weather emergency exists requiring such an operation, the authority may proceed with the activities needed to initiate and conduct the requested operation.

**History:** **En. Sec. 12, Ch. 609, L. 1983.**

**Cross-References**

Disaster and emergency services — intergovernmental cooperation, Title 10, ch. 3, part 2.

## CHAPTER 4

## RESERVED

## CHAPTER 5

## WATER COMMISSIONERS AND WATER MEDIATORS

### Part 1 — Appointment and Duties

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## Part 1

## Appointment and Duties

**85-5-101. Appointment of water commissioners.** (1) Whenever the rights of persons to use the waters of any stream, ditch or extension of ditch, watercourse, spring, lake, reservoir, or other source of supply have been determined by a decree of a court of competent jurisdiction, including temporary preliminary, preliminary, and final decrees issued by a water judge, it is the duty of the judge of the district court having jurisdiction of the subject matter, upon the application of the owners of at least 15% of the water rights affected by the decree, in the exercise of his discretion, to appoint one or more commissioners. The commissioners have authority to admeasure and distribute to the parties owning water rights in the source affected by the decree the waters to which they are entitled, according to their rights as fixed by the decree and by any certificates and permits issued under chapter 2 of this title. When petitioners make proper showing that they are not able to obtain the application of the owners of at least 15% of the water rights affected and they are unable to obtain the water to which they are entitled, the judge of the district court having jurisdiction may, in his discretion, appoint a water commissioner.

(2) When the existing rights of all appropriators from a source or in an area have been determined in a temporary preliminary decree, preliminary decree, or final decree issued under chapter 2 of this title, the judge of the district court may upon application by both the department of natural resources and conservation and one or more holders of valid water rights in the source appoint a water commissioner. The water commissioner shall distribute to the appropriators, from the source or in the area, the water to which they are entitled.

(3) The department of natural resources and conservation or any person or corporation operating under contract with the department or any other owner of stored waters may petition the court to have stored waters distributed by the water commissioners appointed by the district court. The court may make an order requiring the commissioner or commissioners appointed by the court to distribute stored water when and as released to water users entitled to the use of the water.

(4) At the time of the appointment of a water commissioner or commissioners, the district court shall fix their compensation, and the owners and users of the distributed waters, including permittees and certificate holders, shall pay their proportionate share of fees and compensation. The judge may include the department in the apportionment of costs if it applied for the appointment of a water commissioner under subsection (2).

(5) Upon the application of the board or boards of one or more irrigation districts entitled to the use of water stored in a reservoir which is turned into the natural channel of any stream and withdrawn or diverted at a point downstream for beneficial use, the district court of the judicial district wherein the most irrigable acres of the irrigation district or districts are situated may appoint a water commissioner to equitably admeasure and distribute stored water to the irrigation district or districts from the channel of the stream into which it has been turned. A commissioner appointed under this subsection has the powers of any commissioner appointed under this chapter, limited only by the purposes of this subsection. His compensation is set by the appointing judge and paid by each district and other users of stored water affected by the admeasurement and distribution of the stored water. In all other matters the provisions of this chapter apply so long as they are consistent with this subsection.

**History: En. Sec. 1, Ch. 43, L. 1911; re-en. Sec. 7136, R.C.M. 1921; amd. Sec. 1, Ch. 125, L. 1925; re-en. Sec. 7136, R.C.M. 1935; amd. Sec. 1, Ch. 187, L. 1939; amd. Sec. 1, Ch. 231, L. 1963; amd. Sec. 39, Ch. 452, L. 1973; amd. Sec. 1, Ch. 51, L. 1975; R.C.M. 1947, 89-1001(1) thru (3), (5), (6); amd. Sec. 1, Ch. 444, L. 1979; amd. Sec. 1, Ch. 246, L. 1983; amd. Sec. 1, Ch. 468, L. 1989; amd. Sec. 7, Ch. 604, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 468 in first sentence of (2), after "court", substituted "may" for "shall", after "application by" inserted "both", and after "conservation" inserted "and one or more holders of valid water rights in the source"; inserted second sentence of (4) allowing Department to be included in apportionment of costs; and made minor changes in phraseology. Amendment effective April 6, 1989.

Chapter 604 in (1), in first sentence after "jurisdiction", inserted "including temporary preliminary, preliminary, and final decrees issued by a water judge"; and in (2) inserted "temporary preliminary decree, preliminary decree, or". Amendment effective April 21, 1989.

*Retroactive and Prospective Applicability:* Section 11, Ch. 604, L. 1989, provided: "(1) [This act] applies retroactively, within the meaning of 1-2-109, to all temporary preliminary decrees and preliminary decrees that have been issued by the Montana water courts and prospectively to all decrees issued on or after [the effective date of this act] [effective April 21, 1989].

(2) A person whose existing rights are determined in a temporary preliminary decree or a preliminary decree issued before [the effective date of this act] [effective April 21, 1989] may petition the water judge for relief concerning any matter in the decree prior to enforcement of the decree."

**Cross-References**

Water Judges, Title 3, ch. 7, part 2.

Appointment of Water Commissioner after final decree, 85-5-407.

Apportionment of costs, 85-5-408.

Board power to provide sufficient water, 85-7-1907.

**85-5-102. Appointment of chief commissioner.** When the judge of the district court shall appoint two or more commissioners to admeasure and distribute the waters mentioned in the preceding section, he may appoint one of them chief commissioner and empower him to exercise direction and control over the other or others in the discharge of their duties. The judge may depose the one appointed chief commissioner from that position and appoint another in his stead whenever it appears to the judge that better service may be given the water users by making the change.

**History: En. Sec. 2, Ch. 43, L. 1911; re-en. Sec. 7137, R.C.M. 1921; re-en. Sec. 7137, R.C.M. 1935; R.C.M. 1947, 89-1002.**

**Cross-References**
Appointment of Water Commissioners, 3-7-211.

**85-5-103. Oath and bond.** Each water commissioner so appointed by the court shall subscribe and file with the clerk of the district court an oath of office before commencing the discharge of his duties as commissioner and shall likewise file with said clerk a bond executed by himself, with two or more sureties, in such sum as the judge of said court may designate, to insure the faithful discharge of his duties.

**History: En. Sec. 3, Ch. 43, L. 1911; amd. Sec. 1, Ch. 12, Ex. L. 1919; re-en. Sec. 7138, R.C.M. 1921; re-en. Sec. 7138, R.C.M. 1935; R.C.M. 1947, 89-1003.**

**Cross-References**
Oaths, Title 1, ch. 6.
General duties of Clerk of District Court, 3-5-501.
Suretyship, Title 28, ch. 11, part 4.

**85-5-104. Term of office.** Every water commissioner so appointed shall hold his office for such time during the irrigation season of each year as may be designated by the judge in the order making such appointment. The judge, in his discretion, shall fix the date of the commencement of such term and may, in his discretion or when requested in writing by at least three persons entitled to the use of such waters, change the term for closing of the commissioner's service.

**History: En. Sec. 4, Ch. 43, L. 1911; amd. Sec. 1, Ch. 116, L. 1921; re-en. Sec. 7139, R.C.M. 1921; re-en. Sec. 7139, R.C.M. 1935; amd. Sec. 1, Ch. 68, L. 1955; R.C.M. 1947, 89-1004.**

**Cross-References**
Appointment of Water Commissioners, 3-7-211.

**85-5-105. Power and duty to distribute water.** Upon the issuance of such order, the water commissioner or commissioners shall have authority and it is hereby made his or their duty to admeasure and distribute to the users thereof, as their interests may appear and be required, the stored and supplemental waters stored and as released by the department of natural resources and conservation under provisions of chapter 1 of this title, to be diverted into and through said streams, ditch or extension of ditch, watercourse, spring, lake, reservoir, or other source of supply in the same manner and under the same rules as decreed water rights are admeasured and distributed. Such water commissioner or commissioners and the owners and users of such stored and supplemental waters shall be bound by and be subject to the provisions of this chapter and all acts amendatory thereof and supplemental thereto; provided, that the admeasurements and distribution of such stored and supplemental waters shall in no way interfere with decreed water rights. The purpose of parts 1 through 3 of this chapter is to provide a uniform, equitable, and economical distribution of adjudicated, stored, and supplemental waters.

**History: En. Sec. 1, Ch. 43, L. 1911; re-en. Sec. 7136, R.C.M. 1921; amd. Sec. 1, Ch. 125, L. 1925; re-en. Sec. 7136, R.C.M. 1935; amd. Sec. 1, Ch. 187, L. 1939; amd. Sec. 1, Ch. 231, L. 1963; amd. Sec. 39, Ch. 452, L. 1973; amd. Sec. 1, Ch. 51, L. 1975; R.C.M. 1947, 89-1001(4).**

**Cross-References**
Priority, 85-2-401.
District Court supervision of water distribution, 85-2-406.

**85-5-106. Maintenance and repair of ditches or systems.** Upon written request of the owners of at least 51% of the water rights in any adjudicated ditch or single water system, the judge of the district court may empower the commissioner to maintain and keep in reasonable repair such water ditch or water system at the expense of the owners thereof, and for such purposes the commissioner shall have authority to enter and work upon any ditch, canal, aqueduct, or other source of conveying the waters affected by the decree and the right-of-way thereof and to visit, inspect, and adjust all headgates or other means of distribution of such waters.

**History:** **En. Sec. 6, Ch. 43, L. 1911; re-en. Sec. 7141, R.C.M. 1921; re-en. Sec. 7141, R.C.M. 1935; R.C.M. 1947, 89-1006.**

**Cross-References**

Board plan for acquisition and construction, 85-7-1901.

Entry upon land by Board or agent, 85-7-1903.

**85-5-107. Record of daily distribution of water.** Each water commissioner must keep a daily record of the amount of water distributed to each water user and must file a summary of such record with the clerk of the court monthly or seasonally, at the discretion of the district judge during his term of service, showing in detail the total amount of water distributed each day to each water user during such month or season and the amount of cost therefor, based upon the water commissioner's or commissioners' salary per day and other costs of the water commissioner approved by the district judge, and the proportionate amount of water distributed. When two or more water commissioners serve under the same decree or decrees by order of the judge, they may file a joint summary of their record with the clerk of the court, or the chief commissioner, if one has been appointed by the judge, may file a summary in behalf of all of them.

**History:** **En. Sec. 9, Ch. 43, L. 1911; re-en. Sec. 7144, R.C.M. 1921; re-en. Sec. 7144, R.C.M. 1935; R.C.M. 1947, 89-1009; amd. Sec. 1, Ch. 305, L. 1983.**

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

Measurement of water, 85-2-103.

District Court supervision of water distribution, 85-2-406.

**85-5-108. Authority and arrest power.** For the purposes of carrying out the provisions of parts 1 through 3 of this chapter, each commissioner appointed by the court shall have authority to enter upon any ditch, canal, aqueduct, or other source for conveying the waters affected by the decree and to visit, inspect, and adjust all headgates or other means of distributing the waters and shall have the same powers as a sheriff or constable to arrest any and all persons interfering with the distribution made by him, to be dealt with according to law.

**History:** **En. Sec. 8, Ch. 43, L. 1911; re-en. Sec. 7143, R.C.M. 1921; re-en. Sec. 7143, R.C.M. 1935; R.C.M. 1947, 89-1008.**

**Cross-References**

Arrest, Title 46, ch. 6.

Entry upon land by Board or agent, 85-7-1903.

**85-5-109. Failure to perform duty as a contempt of court.** If any commissioner shall fail to perform any of the duties imposed upon him by the order of the judge of the district court, he shall be deemed guilty of a contempt of said court.

**History:** **En. Sec. 7, Ch. 43, L. 1911; re-en. Sec. 7142, R.C.M. 1921; re-en. Sec. 7142, R.C.M. 1935; R.C.M. 1947, 89-1007.**

**Cross-References**

Contempts, Title 3, ch. 1, part 5.

**85-5-110. Appointment of water mediators — duties.** (1) The judge of the district court may appoint a water mediator to mediate a water controversy in a nondecreed basin under the following circumstances:

(a) upon request of the governor; or

(b) upon petition by at least 15% of the owners of water rights in a nondecreed basin.

(2) A water mediator appointed under this section may:

(a) discuss proposed solutions to a water controversy with affected water right holders;

(b) review options related to scheduling and coordinating water use with affected water right holders;

(c) discuss water use and water needs with persons and entities affected by the existing water use;

(d) meet with principal parties to mediate differences over the use of water; and

(e) hold public meetings and conferences to discuss and negotiate potential solutions to controversies over use of water.

(3) If the governor requests or a state agency petitions for a water mediator, the governor or agency shall pay all or a majority of the costs of the water mediator, as determined equitable by the district court having jurisdiction.

(4) The governor may use funds appropriated under 75-1-1101 to pay the costs of a water mediator.

(5) Nothing in this section allows a water mediator to require any valid water right holder to compromise or reduce any of his existing water rights.

(6) If an appropriator voluntarily ceases to use all or part of his appropriation right or voluntarily ceases to use his appropriation right according to its terms and conditions as a result of the efforts of a mediator appointed under this section, the appropriator may not be considered to have abandoned all or any portion of his appropriation right.

**History: En. Sec. 1, Ch. 625, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 6, Ch. 625, L. 1989, provided that this section is effective April 24, 1989.

**85-5-111. Water commissioner and mediator education.** The department of natural resources and conservation, in cooperation with the Montana supreme court, the Montana water courts, the district courts of Montana, the Montana university system, and other appropriate state and federal agencies, shall develop an educational program for water commissioners and mediators that includes:

(1) an annual seminar on commissioner and mediator duties, mediation techniques, and water measuring techniques;

(2) preparation and, as necessary, revision of a water commissioner and mediator manual; and

(3) an outreach program that identifies persons who might serve as water commissioners or mediators.

**History: En. Sec. 2, Ch. 625, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 6, Ch. 625, L. 1989, provided that this section is effective April 24, 1989.

## Part 2

## Charges and Expenses

**85-5-201. Distribution of water and related expenses.** Every water commissioner appointed by the judge of the district court for that purpose shall have the authority to admeasure and distribute to the parties interested, under such decree, permit, or certificate, the water to which those who are parties to the decree or holders of a permit or certificate, or privy thereto, are entitled, according to their priority as established by the decree, permit, or certificate. The water commissioner, in case the parties fail or refuse to do so, may incur necessary expenses in the making of headgates or dams for the distribution of the waters. Such expense shall be assessed against and paid by the party or parties for whom such services in the repair of the ditch or ditches and the making of any dams or headgates were necessary. In the discretion of the court, such costs or expenses may be assessed against the land upon which or for the benefit of which such expense had been incurred.

**History: En. Sec. 5, Ch. 43, L. 1911; re-en. Sec. 7140, R.C.M. 1921; amd. Sec. 2, Ch. 125, L. 1925; re-en. Sec. 7140, R.C.M. 1935; R.C.M. 1947, 89-1005; amd. Sec. 2, Ch. 246, L. 1983.**

**Cross-References**

Appointment of Water Commissioners, 3-7-211.

Priority, 85-2-401.

Irrigation districts — indebtedness, bonds, and bankruptcy, Title 85, ch. 7, part 20.

Irrigation districts — taxes and assessments, Title 85, ch. 7, part 21.

**85-5-202. Repair expenses.** The judge may also allow as a charge any expenses necessarily incurred by the water commissioner in the discharge of his duties in the employment of extra labor for the repair of dams, headgates, ditches, or flumes when immediate action is necessary to preserve the rights of the parties entitled to the waters of such stream or when the judge has, in the order appointing the commissioner, required the commissioner to repair ditches and keep in repair necessary headgates, ditches, or flumes. The water commissioner shall report all such expenses, and the cost thereof shall be taxed against the party or parties for whose benefit the same were incurred. In the discretion of the court, such costs or expenses may be assessed against the land upon which or for the benefit of which such expense had been incurred.

**History: En. Sec. 10, Ch. 43, L. 1911; re-en. Sec. 7145, R.C.M. 1921; amd. Sec. 3, Ch. 125, L. 1925; re-en. Sec. 7145, R.C.M. 1935; R.C.M. 1947, 89-1010.**

**Cross-References**

Board powers over district property, 85-7-1908.

**85-5-203. Telephone expenses.** The judge may also allow as a charge reasonable expenses incurred by a water commissioner in telephoning to the judge for instructions in cases of emergency. When there are two or more commissioners acting under the judge's order, reasonable expenses incurred in communicating with each by telephone or with the judge of the district court, in order to carry on the distribution of the waters harmoniously and in accordance with the decree, shall be deemed a necessary expense. These expenses shall be reported by the water commissioner or commissioners at the close of the season and shall be taxed against all the water users affected by the decree or decrees ratably in proportion to the whole amount of water distributed to them during the season.

**History: En. Sec. 11, Ch. 43, L. 1911; re-en. Sec. 7146, R.C.M. 1921; re-en. Sec. 7146, R.C.M. 1935; R.C.M. 1947, 89-1011.**

**Cross-References**

Water Judges, Title 3, ch. 7, part 2.

**85-5-204. Apportionment of fees and expenses.** (1) Upon the filing of the report by the water commissioner or water commissioners, the clerk of court shall forthwith notify by letter each person mentioned in such report:

(a) of the amount he is made liable for by such report;

(b) that objections to such report and the amount so taxed against him may be made by any person interested therein within 20 days after the date of the mailing of said notice; and

(c) unless objections thereto are filed, an order will be made by the judge of said court finally fixing and determining the amount due from each of said water users.

(2) The affidavit of the clerk that he has mailed a notice to each person mentioned in the report at such person's last known post-office address, in the usual manner, shall be deemed prima facie evidence that the person received that notice provided for in this section.

**History: En. Sec. 12, Ch. 43, L. 1911; re-en. Sec. 7147, R.C.M. 1921; amd. Sec. 1, Ch. 11, L. 1923; amd. Sec. 1, Ch. 45, L. 1927; re-en. Sec. 7147, R.C.M. 1935; R.C.M. 1947, 89-1012.**

**Cross-References**

General duties of Clerk of District Court, 3-5-501.

**85-5-205. Objections to expenses — hearing.** At the expiration of the 20 days' notice, as provided for in the preceding section, if objections to said report have been filed or a motion to retax the same has been made, the court or judge shall fix a time for the hearing of such objections or motion to retax, which time of hearing shall be as soon as the judge or a court can conveniently hear the same. Any person objecting to said report shall be entitled to at least 5 days' notice of the date and time of such hearing. At such hearing the court or judge shall hear and determine the motion or objections and shall make an order fixing and determining the amount found due from each of said water users to such commissioner or commissioners. In case no objections are filed within the 20 days, as hereinbefore provided for, such order shall be made as a matter of course, and in either case said order shall be final determination of the matter.

**History: En. Sec. 13, Ch. 43, L. 1911; re-en. Sec. 7148, R.C.M. 1921; amd. Sec. 2, Ch. 11, L. 1923; re-en. Sec. 7148, R.C.M. 1935; R.C.M. 1947, 89-1013.**

**85-5-206. Effect of order fixing fees.** After the order of the court fixing the fees and compensation and expenses of the water commissioner is final, it shall have all the force and effect of a judgment as against the person to whom the water was admeasured and for whose benefit it was used. When such expense of commissioner or commissioners has been assessed against the land for which such service of the commissioner or commissioners has been rendered, it shall constitute a lien against said land. Execution may issue upon the order, as upon a judgment, by direction of the court or judge upon the application of any person interested therein. The water commissioner, at his discretion, may withhold further admeasurement or distribution of water to any person otherwise entitled thereto until such person shall have paid all fees, compensation, and expenses of such water commissioner or commissioners so fixed by the court and apportioned and charged to such person and likewise may withhold the admeasurement and distribution of water from any land against which there exists any such lien as aforesaid, until such lien shall have been fully discharged.

**History:** En. Sec. 14, Ch. 43, L. 1911; re-en. Sec. 7149, R.C.M. 1921; amd. Sec. 4, Ch. 125, L. 1925; amd. Sec. 1, Ch. 39, L. 1929; re-en. Sec. 7149, R.C.M. 1935; R.C.M. 1947, 89-1014.

**Cross-References**

Appointment of Water Commissioners, 3-7-211.

Execution of judgment, Title 25, ch. 13.

District Court supervision of water distribution, 85-2-406.

## Part 3

## Rights and Duties of Water Users

**85-5-301. Complaint by dissatisfied user.** (1) A person owning or using any of the waters of the stream or ditch or extension of the ditch who is dissatisfied with the method of distribution of the waters of the stream or ditch by the water commissioner or water commissioners and who claims to be entitled to more water than he is receiving or to a right prior to that allowed him by the water commissioner or water commissioners may file his written complaint, duly verified, setting forth the facts of the claim. Thereupon the judge shall fix a time for the hearing of such petition and shall direct that such notice be given to the parties interested in the hearing as the judge considers necessary. At the time fixed for the hearing, the judge must hear and examine the complainant and other parties as may appear to support or resist such claim and examine the water commissioner or water commissioners and witnesses as to the charges contained in the complaint.

(2) Upon the determination of the hearing, the judge shall make such findings and order as he considers just and proper. If it appears to the judge that the water commissioner or water commissioners have not properly distributed the water according to the provisions of the decree, the judge shall give the proper instructions for such distribution. The judge may remove any water commissioner and appoint some other person in his stead if he considers that the interests of the parties in the waters mentioned in the decree will be best subserved thereby, and if it appears to the judge that the water commissioner has willfully failed to perform his duties, he may be proceeded against for contempt of court, as provided in contempt cases. The judge shall

make such order as to the payment of costs of the hearing as appears to him to be just and proper.

**History:** **En. Sec. 15, Ch. 43, L. 1911; re-en. Sec. 7150, R.C.M. 1921; amd. Sec. 5, Ch. 125, L. 1925; re-en. Sec. 7150, R.C.M. 1935; amd. Sec. 13, Ch. 460, L. 1977; R.C.M. 1947, 89-1015.**

**Cross-References**

Contempts, Title 3, ch. 1, part 5.

Appeals from a final decree, 85-2-235.

**85-5-302. Maintenance of headgates and measuring devices.** All persons using water from any stream or ditch whereon a water commissioner is appointed are required to have suitable headgates at the point where a ditch taps a stream and shall also, at some suitable place on the ditch and as near the head as practicable, place and maintain a proper measuring box, weir, or other appliance for the measurement of the waters flowing in the ditch. In case any person or persons shall fail to place or maintain a proper measuring appliance, it is the duty of the water commissioner not to apportion or distribute any water through the ditch. The commissioner shall notify all parties interested by certified mail or in person 1 week before making the annual repair or cleaning of any stream or ditch or performing necessary labor or expenses to divert water to any ditch. The sending of a certified letter to the last-known post-office address of any interested party is prima facie evidence of the fact that he was duly notified. Any work in the way of repairing a ditch made necessary by any emergency may be done without such notice when injury would result from delay.

**History:** **En. Sec. 7, Ch. 64, L. 1905; re-en. Sec. 4890, Rev. C. 1907; re-en. Sec. 7151, R.C.M. 1921; amd. Sec. 6, Ch. 125, L. 1925; re-en. Sec. 7151, R.C.M. 1935; R.C.M. 1947, 89-1016; amd. Sec. 4, Ch. 432, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning of first sentence, after "water", deleted "under a decree" and in two places, before "certified", deleted "registered or"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Measurement of water, 85-2-103.

District Court supervision of water distribution, 85-2-406.

Conduction of water, 85-2-414.

Regulation, supervision, apportionment, and control of water distribution, 85-7-1922.

## Part 4

## Water Ditches Under Joint or Corporate Control

**85-5-401. Determination of water rights between partners, tenants in common, and corporate stockholders.** Whenever a water ditch used for irrigating purposes is owned by a partnership, tenants in common, or corporation and there is any dispute between the respective owners, tenants in common, or stockholders respecting the use and division of the waters flowing in said ditch, any partner, tenant in common, or stockholder may commence an action in any court of competent jurisdiction to determine the rights of the respective parties to the use of said waters and may join in his petition a prayer for the appointment of a water commissioner to apportion and distribute the waters of said ditch according to the rights of the respective owners, tenants in common, or stockholders during the pendency of the action.

**History:** **En. Sec. 1, Ch. 181, L. 1919; re-en. Sec. 7152, R.C.M. 1921; re-en. Sec. 7152, R.C.M. 1935; R.C.M. 1947, 89-1017.**

**Cross-References**

Appointment of Water Commissioners, 3-7-211.

Water Courts — jurisdiction, Title 3, ch. 7, part 5.

District Court supervision of water distribution, 85-2-406.

Duty of purchaser to dig ditches, 85-2-416.

Board agreements for joint operation or cooperation, 85-7-1905.

**85-5-402. Appointment of commissioner prior to final decree.** After the filing of the complaint in such action, the court may, upon 5 days' notice to the other parties to the action, appoint a commissioner to divide and distribute the waters of said ditch to the respective parties, according to their respective rights, during the pendency of the action. The court may, upon good cause shown, appoint such commissioner without notice, and when such commissioner is appointed without notice, any party to the action may, on 5 days' notice to the plaintiff, move the court or judge to vacate such appointment or to modify the order as to the distribution of the waters of said ditch. The court or judge on such hearing, in his discretion, may affirm, vacate, or modify the order previously made. Each water commissioner so appointed shall subscribe to an oath of office before commencing the discharge of his duties.

**History: Ap. p. Sec. 2, Ch. 181, L. 1919; re-en. Sec. 7153, R.C.M. 1921; re-en. Sec. 7153, R.C.M. 1935; Sec. 89-1018, R.C.M. 1947; Ap. p. Sec. 3, Ch. 181, L. 1919; re-en. Sec. 7154, R.C.M. 1921; re-en. Sec. 7154, R.C.M. 1935; Sec. 89-1019, R.C.M. 1947; R.C.M. 1947, 89-1018, 89-1019(part).**

**Cross-References**

Appointment of Water Commissioners, 3-7-211, 85-5-101.

Final decree, 85-2-234.

**85-5-403. Division of water.** It shall be the duty of the water commissioner to divide the waters of said ditch between the owners, tenants in common, or stockholders in proportion to their respective rights, as set forth in the complaint or in such other manner or proportion as the court or judge may direct.

**History: En. Sec. 3, Ch. 181, L. 1919; re-en. Sec. 7154, R.C.M. 1921; re-en. Sec. 7154, R.C.M. 1935; R.C.M. 1947, 89-1019(part).**

**Cross-References**

District Court supervision of water distribution, 85-2-406.

**85-5-404. Authority of commissioner.** Such commissioner shall have authority to enter upon said ditch; open, close, and set headgates; and do whatever else is necessary to apportion and distribute the waters of said ditch to the respective parties according to their respective rights.

**History: En. Sec. 4, Ch. 181, L. 1919; re-en. Sec. 7155, R.C.M. 1921; re-en. Sec. 7155, R.C.M. 1935; R.C.M. 1947, 89-1020.**

**Cross-References**

Entry upon land by Board or agent, 85-7-1903.

**85-5-405. Compensation and expenses.** The court shall fix the compensation of such commissioner and the term of his employment and shall make an order apportioning the amount of such compensation among the several owners, tenants in common, or stockholders of said ditch, according to their respective rights and interest in said ditch, which amounts so apportioned shall be taxed as costs in the action against the respective parties.

**History:** **En. Sec. 5, Ch. 181, L. 1919; re-en. Sec. 7156, R.C.M. 1921; re-en. Sec. 7156, R.C.M. 1935; R.C.M. 1947, 89-1021.**

**Cross-References**

Appointment of Water Commissioners, 3-7-211, 85-5-101.

**85-5-406. Interference with actions of commissioner.** Any person opening or closing a headgate after being set by such commissioner or who in any manner interferes with such commissioner in the discharge of his duties shall be deemed guilty of contempt of court and may be proceeded against for contempt of court as provided in contempt cases.

**History:** **En. Sec. 6, Ch. 181, L. 1919; re-en. Sec. 7157, R.C.M. 1921; re-en. Sec. 7157, R.C.M. 1935; R.C.M. 1947, 89-1022.**

**Cross-References**

Contempts, Title 3, ch. 1, part 5.

**85-5-407. Appointment of water commissioner after final decree.** When the rights of the respective parties in said action to the use of the waters flowing in said ditch shall be adjudicated, the judge of the district court having jurisdiction of the subject matter, upon the application of the owners of at least 10% of the waters of said ditch, may, in the exercise of his discretion, appoint a water commissioner to divide, apportion, and distribute the waters of said ditch to the respective parties according to their respective rights as set forth in such decree. When a commissioner is appointed under the provisions of 85-5-101 through 85-5-301 to apportion and distribute the waters of the stream from which the water flowing in said ditch is taken, such commissioner shall, when so directed by the judge or court, apportion and distribute the waters of said ditch according to the decree by which the rights of the respective owners were adjudicated.

**History:** **En. Sec. 7, Ch. 181, L. 1919; re-en. Sec. 7158, R.C.M. 1921; re-en. Sec. 7158, R.C.M. 1935; R.C.M. 1947, 89-1023.**

**Cross-References**

Appointment of Water Commissioners, 3-7-211.

Appeals from final decree, 85-2-235.

**85-5-408. Apportionment of costs.** (1) When a commissioner is appointed upon the application of an owner or owners of such ditch, the court may fix the compensation of such commissioner and the term of his employment. The court shall make an order apportioning the amount of such compensation among the several owner or owners, tenants in common, or stockholders of said ditch according to their respective rights and interest, which order shall have the force and effect of a judgment against the person to whom the water was admeasured and for whose benefit it was used. When, in the discretion of the court, such order of apportionment of expense is made against the land for which such water was used, it shall have the force and effect of a lien against said land to which such apportionment was made. Execution may issue upon such order as upon a judgment by direction of the court, upon the application of any person interested therein.

(2) When a commissioner is appointed under the provisions of 85-5-101 through 85-5-301 to distribute the waters of the stream from which the waters flowing in said ditch are taken and to apportion and distribute the waters of said ditch according to the rights of the respective owners thereof, the judge, in his discretion, may, in addition to the apportionment taxed against the respective owners of the waters of said stream, apportion and tax the amount, if any, the owners of such ditch shall pay in addition to the amount taxed under the provisions of 85-5-101 through 85-5-301.

**History: En. Sec. 8, Ch. 181, L. 1919; re-en. Sec. 7159, R.C.M. 1921; amd. Sec. 7, Ch. 125, L. 1925; re-en. Sec. 7159, R.C.M. 1935; R.C.M. 1947, 89-1024.**

**Cross-References**

Execution of judgment, Title 25, ch. 13.

Apportionment of fees and expenses, 85-5-204.

Irrigation districts — taxes and assessments, Title 85, ch. 7, part 21.

# CHAPTER 6

# WATER USERS' ASSOCIATIONS

Part 1 — General Provisions

85-6-101. Power to levy new assessments.
85-6-102. Assessments to be equitable.
85-6-103. Transfer of shares of stock.
85-6-104. Assessment of shares of stock.
85-6-105. Division of irrigation project into districts.
85-6-106. Vacancies in board of directors.
85-6-107. Liability of associations.
85-6-108. Exemption from payment of fees.
85-6-109. Operation of projects with water users' association.

## Part 1

## General Provisions

**85-6-101. Power to levy new assessments.** Whenever any water users' association, having a contract with the United States government for construction of works and delivery of water and also a contract with its shareholders, organized under and by virtue of the corporation laws of this state and in conformity with the laws of the United States, shall have levied an assessment or assessments upon its capital stock, which assessment or assessments or any part thereof remain uncollected, such association shall have the power to discharge all assessments theretofore levied and to levy in lieu thereof an assessment which shall include all previous assessments levied upon the shareholders of said association and to give credit for all payments on assessments theretofore made.

**History: En. Sec. 1, Ch. 141, L. 1917; re-en. Sec. 7160, R.C.M. 1921; re-en. Sec. 7160, R.C.M. 1935; R.C.M. 1947, 89-1101.**

**Cross-References**

Corporations, Title 35, ch. 1 and 2.

Exemption from franchise and corporation taxes, 85-6-108.

Irrigation districts — United States contracts, 85-7-2118, 85-7-2119.

**85-6-102. Assessments to be equitable.** All assessments authorized hereunder shall be equitable and be based upon benefits received or available.

**History:** En. Sec. 2, Ch. 141, L. 1917; re-en. Sec. 7161, R.C.M. 1921; re-en. Sec. 7161, R.C.M. 1935; R.C.M. 1947, 89-1102.

**Cross-References**

Irrigation districts — taxes and assessments, Title 85, ch. 7, part 21.

Drainage districts — taxes and assessments, Title 85, ch. 8, part 6.

Conservancy districts — assessments, 85-9-601.

**85-6-103. Transfer of shares of stock.** Shares of stock of water users' associations organized in conformity with the requirements of the laws of the United States and the state of Montana and under the Reclamation Act of June 17, 1902, (which shares of stock, by the articles of incorporation of said association, are inseparably appurtenant to the lands for which they are subscribed) shall, upon the presentation of proof to such association of the transfer of any of said land, be transferred on the books of said association, by the proper officers of the association, to the grantee or successor in title to said land.

**History:** En. Sec. 1, Ch. 29, L. 1915; re-en. Sec. 7162, R.C.M. 1921; re-en. Sec. 7162, R.C.M. 1935; R.C.M. 1947, 89-1103.

**Cross-References**

U.C.C. — investment securities, Title 30, ch. 8.

Securities regulation, Title 30, ch. 10.

Right of corporation to acquire and dispose of its own shares — restrictions, 35-1-612.

**85-6-104. Assessment of shares of stock.** The assessable stock of any such water users' association may at the time of any assessment made, after the major portion of such irrigation project is completed and the irrigable area thereunder determined, be one share for each irrigable acre, and appropriate bylaws of the association may provide for the discharge of assessments levied on stock appurtenant to lands then determined to be nonirrigable.

**History:** En. Sec. 2, Ch. 29, L. 1915; re-en. Sec. 7163, R.C.M. 1921; re-en. Sec. 7163, R.C.M. 1935; R.C.M. 1947, 89-1104.

**Cross-References**

Irrigation districts — taxes and assessments, Title 85, ch. 7, part 21.

Drainage districts — taxes and assessments, Title 85, ch. 8, part 6.

Conservancy districts — assessments, 85-9-601.

**85-6-105. Division of irrigation project into districts.** Such water users' association shall be permitted to divide the area under such irrigation project into as many districts as there are directors provided for in its articles of incorporation. Each district shall elect one director for a term not to exceed 5 years. At the first election held to elect directors under the provisions of this chapter, each district shall elect one director, who shall hold office for such a term of years as the bylaws shall provide, and thereafter a director shall be elected in the district and at the annual election held just prior to the expiration of the term of office of the director of that district.

**History:** En. Sec. 3, Ch. 29, L. 1915; re-en. Sec. 7164, R.C.M. 1921; re-en. Sec. 7164, R.C.M. 1935; R.C.M. 1947, 89-1105.

**Cross-References**

Irrigation districts, Title 85, ch. 7.

Organization of districts, Title 85, ch. 7, part 15.

Elections, Title 85, ch. 7, part 17.

**85-6-106. Vacancies in board of directors.** In case of a vacancy in the board of directors from any cause, the board shall fill such vacancy by appointment to hold to the end of that fiscal year, and a director shall be elected at the annual election in the district where such vacancy occurs to fill the unexpired term of such vacancy.

**History: En. Sec. 4, Ch. 29, L. 1915; re-en. Sec. 7165, R.C.M. 1921; re-en. Sec. 7165, R.C.M. 1935; R.C.M. 1947, 89-1106.**

**Cross-References**

Irrigation districts — vacancies among Commissioners, 85-7-1703.

**85-6-107. Liability of associations.** An incorporated water users' association that is sustaining and responsible for the operations of a works is solely liable for any court action which may be brought against it for any injury or damages occurring on the works caused by a failure to maintain safe working and operating conditions. The state of Montana is not liable for injury to a person or property that occurs on a works as a result of a failure by a water users' association to maintain the works in a safe working and operating condition.

**History: En. Sec. 11, Ch. 35, Ex. L. 1933; re-en. Sec. 349.12, R.C.M. 1935; amd. Sec. 1, Ch. 459, L. 1973; amd. Sec. 129, Ch. 253, L. 1974; amd. Sec. 3, Ch. 73, L. 1977; amd. Sec. 2, Ch. 460, L. 1977; R.C.M. 1947, 89-115(2).**

**Cross-References**

State subject to suit, Art. II, sec. 18, Mont. Const.

Liability, Title 27, ch. 1, part 7.

Liability of and to ostensible corporations, 35-1-109.

**85-6-108. Exemption from payment of fees.** Any water users' association organized in conformity with the requirements of the laws of the United States and of the state of Montana, under the Reclamation Act of June 17, 1902, which, under the articles of incorporation, is authorized to furnish water only to its stockholders shall be exempt from the payment of any license fee and from the payment of any annual license tax and, upon filing its articles of incorporation with the secretary of state, shall be required to pay only a fee of $40 for the filing and recording of such articles of incorporation and the issuance of certificate of incorporation.

**History: En. Sec. 1, Ch. 66, L. 1905; re-en. Sec. 167, Rev. C. 1907; re-en. Sec. 147, R.C.M. 1921; re-en. Sec. 147, R.C.M. 1935; amd. Sec. 9, Ch. 117, L. 1961; R.C.M. 1947, 25-110; amd. Sec. 1, Ch. 326, L. 1979.**

**Cross-References**

Articles of incorporation — filing — issuance of certificate of incorporation, 35-1-203.

Fees and charges, Title 35, ch. 1, part 12.

**85-6-109. Operation of projects with water users' association.** (1) As used in this section, "department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33, and "association" means a water users' association.

(2) Whenever the department proposes a program of maintenance, repair, operation, or alteration of a project in excess of $25,000, the cost of which will be borne by an association pursuant to the terms of a water marketing contract, the association shall be informed of the program and given an opportunity to comment. The department shall notify the association of its

decision. If the association believes the program to be unnecessary or excessive in cost, it may appeal the department decision to the board of natural resources and conservation as provided for in 85-1-212. The board shall notify the association of its decision. If the board's decision is adverse to the association, the association may file within 30 days of receipt of notice of the board's decision a complaint to review the board's decision in the district court in any county where all or part of the project works is located or in Lewis and Clark County.

(3) If a complaint is filed under subsection (2), the court shall hold a trial de novo on the question of necessity of the department program and the question of excessive costs. If the association prevails, the court may award costs to the association. The court may specify an acceptable program of maintenance, repair, operation, or alteration or may order the department and the association to develop a program, subject to court approval.

(4) Whenever a program of maintenance, repair, operation, or alteration is proposed, the department shall assist the association in attempting to secure sources of financing, including federal funds.

(5) Whenever the department proposes to abandon, sell, or otherwise dispose of a project which involves a water users' association, the department shall notify the association. Before the department may take further action to abandon, sell, or otherwise dispose of a project which involves a water users' association, the department must receive a petition approving the abandonment, sale, or disposition which is signed by stockholders of the association representing 66 ⅔% or more of the issued and outstanding stock of the association. If, within 30 days of receipt of the final proposal of abandonment, sale, or other disposal, stockholders of the association representing 15% or more of the issued and outstanding stock of the association file a petition of protest with the department, the project may not be abandoned, sold, or otherwise disposed of without the consent of the legislature.

**History: En. 89-1107 by Sec. 1, Ch. 253, L. 1977; R.C.M. 1947, 89-1107; amd. Sec. 3, Ch. 156, L. 1981.**

**Cross-References**

Management of property — water contracts, 85-1-211.

Settlement of disputes over water contracts, 85-1-212.

Abandonment of project, 85-1-404.

# CHAPTER 7

# IRRIGATION DISTRICTS

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85-7-2158. Purchase of lands by district — tax sale certificates and payment.
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85-7-2202. Consolidation of appeals.
85-7-2203. Nonsubstantial errors disregarded — rules of practice — costs.
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85-7-2205. Definition of irrigable land.
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85-7-2211. Irrigation ditches — duties relating to safety.
85-7-2212. Irrigation ditches — nonliabilities.

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## Part 1

## Creation of Districts — Generally

**Part Cross-References**

Definition of irrigable land, 85-7-2205.

**85-7-101. Creation of irrigation districts by percentage of titleholders.** (1) Sixty per centum in number of the holders of title or evidence of title to lands sought to be included in an irrigation district and which are susceptible of irrigation, such holders of title or evidence of title also representing 60% of the acreage of said lands, may propose the establishment and organization of an irrigation district under the provisions of this part and part 15. When any of such land sought to be included in such irrigation district is covered by mortgage or other lien, then the owner or owners of such land shall first procure the written consent of the holder of such mortgage or other lien before proposing the establishment and organization of such irrigation district.

(2) Irrigation districts may be formed in order to cooperate with the United States under the federal reclamation laws heretofore or hereafter

enacted or under any act of congress which shall permit of the performance by the United States of work in this state for the purposes of construction of irrigation works, including drainage works, or for purchase, extension, operation, or maintenance of constructed works or for the assumption, as principal or guarantor, of indebtedness to the United States on account of district lands. When so organized, such district shall have the powers conferred or that may hereafter be conferred by law upon such irrigation district. In all irrigation districts organized in connection with United States reclamation projects, a majority of the holders of title or evidence of title to lands sought to be included in such irrigation district under the provisions of this part may propose the establishment and organization of such district.

**History: En. Sec. 1, Ch. 146, L. 1909; amd. Sec. 1, Ch. 153, L. 1917; amd. Sec. 1, Ch. 116, L. 1919; re-en. Sec. 7166, R.C.M. 1921; amd. Sec. 1, Ch. 157, L. 1923; amd. Sec. 1, Ch. 112, L. 1925; re-en. Sec. 7166, R.C.M. 1935; amd. Sec. 15, Ch. 280, L. 1965; amd. Sec. 164, Ch. 253, L. 1974; R.C.M. 1947, 89-1201(1).**

**Cross-References**

Federal assistance management, Title 17, ch. 3, part 1.

Mortgages of real property, Title 71, ch. 1, part 2.

Liens, Title 71, ch. 3.

Contracts with the United States, 85-1-221.

Conformity to federal regulations authorized, 85-1-222.

Authority for joint operation of districts, 85-7-1601.

Requirements for petition to eliminate lands, 85-7-1803.

Creation of drainage districts, Title 85, ch. 8, part 1.

**85-7-102. Evidence of title.** (1) The following documents shall be sufficient evidence of title for the purpose of this chapter:

(a) the certificate of the county clerk and recorder;

(b) the certificate of the department of state lands;

(c) records of ownership prepared by licensed title insurance agents.

(2) Where lands have been purchased from the state and part or all of the purchase money has been paid but the patents or deeds from the state to such lands have not been issued, the receipt or receipts held by the purchasers or the certificate of the department of state lands showing the payments on account of purchase shall be evidence of title to such lands under this chapter.

**History: En. Sec. 1, Ch. 146, L. 1909; amd. Sec. 1, Ch. 153, L. 1917; amd. Sec. 1, Ch. 116, L. 1919; re-en. Sec. 7166, R.C.M. 1921; amd. Sec. 1, Ch. 157, L. 1923; amd. Sec. 1, Ch. 112, L. 1925; re-en. Sec. 7166, R.C.M. 1935; amd. Sec. 15, Ch. 280, L. 1965; amd. Sec. 164, Ch. 253, L. 1974; R.C.M. 1947, 89-1201(2); amd. Sec. 1, Ch. 382, L. 1987.**

**Cross-References**

Documents subject to recording, 7-4-2613.

Real property — what may be recorded — recording copy in another county, 70-21-201.

**85-7-103. Report by department of natural resources and conservation required.** (1) Before any such district shall be established, there shall be presented to the district court, at the hearing on the petition for such establishment, a written report or opinion from the department of natural resources and conservation on the engineering features involved and the possibilities of water supplies, accompanied by a copy of the decree of the district court showing the adjudicated water rights in said streams from which said waters are to be diverted. For this purpose, a copy of the petition provided for in 85-7-104 and of all maps and other papers filed with the same shall be filed with the department at the time the original petition is filed with the clerk of the district court. The expense, if any, incurred by the department in the investigation and report upon the proposed district shall be certified with the report and shall be assessed as costs in said hearing, which costs shall be paid by the district in event of its establishment, and in event such petition be denied, then such costs shall be paid by the petitioners. The department shall, within a period of 120 days from the filing of said petition with the department, render its report, as herein provided, to the district court.

(2) Such report or opinion shall not be requested or obtained and shall not be necessary whenever it is proposed to cooperate with the United States under the federal reclamation laws heretofore or hereafter enacted or under any act of congress which shall permit of the performance by the United States of work in this state for the purposes of construction of irrigation works, including drainage works, or for purchase, extension, operation, or maintenance of constructed works or for the assumption, as principal or guarantor, of indebtedness to the United States on account of district laws.

**History: En. Sec. 1, Ch. 146, L. 1909; amd. Sec. 1, Ch. 153, L. 1917; amd. Sec. 1, Ch. 116, L. 1919; re-en. Sec. 7166, R.C.M. 1921; amd. Sec. 1, Ch. 157, L. 1923; amd. Sec. 1, Ch. 112, L. 1925; re-en. Sec. 7166, R.C.M. 1935; amd. Sec. 15, Ch. 280, L. 1965; amd. Sec. 164, Ch. 253, L. 1974; R.C.M. 1947, 89-1201(3).**

**Cross-References**

Department research and information, 75-5-212.

Aquatic ecosystem protections, Title 75, ch. 7.

Department powers over state waters, 85-1-204.

Final decree of water rights, 85-2-234.

Authority for joint operation of districts, 85-7-1601.

Withdrawal of lands to organize separate or consolidated district for cooperation with federal projects — petition, 85-7-1831.

Drainage districts, Title 85, ch. 8.

**85-7-104. Petition for organization.** (1) For the purpose of establishing and organizing an irrigation district hereunder, a petition signed by the required number of holders of title or evidence of title to lands within the proposed district mentioned in 85-7-101 shall be filed with the clerk of the district court of the county in which the greatest portion of the lands of the proposed district is located. The petition shall set forth:

(a) the name suggested for the proposed district;

(b) a general description of the lands to be included in the proposed district;

(c) the names of the holders of title or evidence of title to the lands in the proposed district, ascertained in the manner mentioned in 85-7-101 and 85-7-102, and if a holder is a nonresident of the county or counties in which the proposed district lies, the post-office address of the nonresident owner, if known;

(d) generally, the source from which the lands in the proposed district are to be irrigated and the character of the works, water rights, canals, and other property proposed to be acquired or constructed for irrigation purposes in the proposed district;

(e) a prayer that the lands embraced within the proposed district be organized as an irrigation district according to the applicable provisions of this chapter.

(2) The petition shall be accompanied by:

(a) a map or plat of the proposed district; and

(b) a good and sufficient bond or undertaking, to be approved by the district court or judge thereof of the county in which the petition is required to be filed under the provisions of subsection (1), to pay all costs in and about the proceedings preliminary to the organization of the district in the event that the organization is not effected.

(3) Mere error or omission in the description of any lands or in the names of any of the holders of title or evidence of title to lands does not render invalid any proceedings hereunder or deprive the district court of jurisdiction of the subject matter. Such misdescribed lands or misnamed persons may not be included in the district.

**History:** **En. Sec. 2, Ch. 146, L. 1909; re-en. Sec. 7167, R.C.M. 1921; re-en. Sec. 7167, R.C.M. 1935; amd. Sec. 14, Ch. 460, L. 1977; R.C.M. 1947, 89-1202.**

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

Department powers over state waters, 85-1-204.

**85-7-105. Order and notice of hearing on petition.** (1) On such petition being filed, the district court or judge thereof shall make an order fixing the time and place of hearing on the petition and directing that notice thereof be given. Thereupon the clerk of said court shall cause to be published at least once a week for 2 successive calendar weeks in some newspaper published in the county where the petition is filed a copy of such petition, together with a notice stating the time and place fixed by the district court when and where the hearing on said petition will be had. If any portion of the lands within the proposed district lies within any other county or counties, then said petition and notice shall be published as above provided in a newspaper published in each such other county. If there be no newspaper published in such county, said petition and notice may be published in an adjoining county.

(2) The first publication of said petition and notice shall be not less than 30 days prior to the time mentioned in said notice for said hearing.

(3) If any holder of title or evidence of title to lands within the proposed district is a nonresident of the county or counties in which the proposed district lies, the clerk of said court shall, within 3 days after the first publication aforesaid, mail a copy of said petition and notice to each such nonresident whose post-office address is stated in said petition.

(4) The certificate of the clerk of the district court, under the seal of the court, as to the facts of the publishing and mailing of said petition and notice, affixed to a copy of said notice, shall be sufficient evidence of such facts.

**History:** **En. Sec. 3, Ch. 146, L. 1909; re-en. Sec. 7168, R.C.M. 1921; re-en. Sec. 7168, R.C.M. 1935; R.C.M. 1947, 89-1203.**

**Cross-References**

General duties of Clerk of District Court, 3-5-501.

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-106. Hearing on petition.** (1) At the time specified in the notice mentioned in 85-7-105, the district court in which the petition is filed shall hear the petition but may adjourn such hearing from time to time, not exceeding 3 weeks in all, and may continue the hearing for want of sufficient notice or other good cause. The court, upon application of the petitioners or any interested person or persons, shall permit the petition to be amended and may order further or additional notice to be given. Upon such hearing all interested persons whose lands or rights may be damaged or benefited by the organization of the district or by the irrigation works or improvements therein or to be acquired or constructed may appear and contest the necessity or utility of the proposed district or any part thereof, and the contestants and petitioners may offer any competent evidence in regard thereto.

(2) The court shall hear and determine whether the requirements of 85-7-101 through 85-7-105 have been complied with and for that purpose shall hear all competent and relevant testimony that may be offered.

**History:** **En. Sec. 4, Ch. 146, L. 1909; amd. Sec. 2, Ch. 153, L. 1917; amd. Sec. 2, Ch. 116, L. 1919; re-en. Sec. 7169, R.C.M. 1921; re-en. Sec. 7169, R.C.M. 1935; amd. Sec. 15, Ch. 460, L. 1977; R.C.M. 1947, 89-1204(1), (2).**

**85-7-107. Court decision — appointment of commissioners.** (1) (a) The court may make such changes in the proposed district as may be considered advisable or as fact, right, and justice may require. Land which is susceptible of irrigation from the same general source and by the same general system of works applicable to the other lands of the proposed district may not be excluded from the proposed district if the owner or owners of the lands file in the district court a written request that the lands be included.

(b) Lands which will not, in the judgment of the court, be benefited by irrigation from the works of the proposed district; which are already under irrigation; which have appurtenant water rights; or which can be irrigated from sources more feasible than the proposed district may not be included in the district unless the owner of such lands consents in writing to the inclusion.

(c) Notwithstanding the provisions of subsection (1)(b), whenever a district is formed to cooperate with the United States, lands previously irrigated and having appurtenant water rights may be included within the district boundaries if it appears to the court that the lands will be benefited by inclusion.

(d) All lands having appurtenant water rights, served by an irrigation works system supplying more than 10,000 acres, may, in the discretion of the court, be included in the proposed district upon petition by at least a majority, both in number and acreage, of the holders of title or evidence of title to the lands served by the irrigation system and having appurtenant water rights.

(e) Lands of the district need not be contiguous. The location of a particular tract in the proposed district is not a bar to exclusion.

(2) For purposes of including or excluding land from a proposed district, the court may subdivide any tract into 40-acre or smaller parcels.

(3) If, on final hearing, it is found by the court that the petition does not substantially comply with the requirements of this part or that the facts stated are not sustained by the evidence, the court shall dismiss the petition at the cost of the petitioners and make and enter an order to that effect. If it is found that the petition substantially complies with the requirements and that the facts stated are sustained by the evidence, the court shall make and enter an order:

(a) setting forth findings and allowing the petition;

(b) establishing the proposed district;

(c) giving accurate descriptions of the lands included within the proposed district;

(d) dividing the proposed district into three, five, or seven divisions, as may be advisable in view of the size of the district;

(e) appointing as commissioner one competent person for each division of the district having the qualifications as provided by 85-7-1501.

**History: En. Sec. 4, Ch. 146, L. 1909; amd. Sec. 2, Ch. 153, L. 1917; amd. Sec. 2, Ch. 116, L. 1919; re-en. Sec. 7169, R.C.M. 1921; re-en. Sec. 7169, R.C.M. 1935; amd. Sec. 15, Ch. 460, L. 1977; R.C.M. 1947, 89-1204(3) thru (5).**

**Cross-References**

Alteration and determination of district acreage, Title 85, ch. 7, part 18.

**85-7-108. Effect of court findings and order.** The finding and order are conclusive upon all the owners of lands within the district that they have assented to and accepted the applicable provisions of this chapter and are final unless appealed from to the supreme court within 60 days from the day of entry of the order. A copy of the order, duly certified to by the clerk of the district court, shall be filed for record within 30 days after the order is made and entered with the county clerk and recorder of the county where the lands included within the district are situated. Lands not situated in the county in which the copy is filed shall be omitted from the copy.

**History: En. Sec. 4, Ch. 146, L. 1909; amd. Sec. 2, Ch. 153, L. 1917; amd. Sec. 2, Ch. 116, L. 1919; re-en. Sec. 7169, R.C.M. 1921; re-en. Sec. 7169, R.C.M. 1935; amd. Sec. 15, Ch. 460, L. 1977; R.C.M. 1947, 89-1204(6).**

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

Montana Rules of Appellate Procedure, Title 25, ch. 21.

**85-7-109. Irrigation district as public corporation.** Every irrigation district so established is a public corporation for the promotion of the public welfare, and the lands included therein shall constitute all the taxable and assessable property of such district for the purposes of this chapter.

**History: En. Sec. 4, Ch. 146, L. 1909; amd. Sec. 2, Ch. 153, L. 1917; amd. Sec. 2, Ch. 116, L. 1919; re-en. Sec. 7169, R.C.M. 1921; re-en. Sec. 7169, R.C.M. 1935; amd. Sec. 15, Ch. 460, L. 1977; R.C.M. 1947, 89-1204(7).**

**Cross-References**

Business corporations, Title 35, ch. 1.

Irrigation districts — taxes and assessments, Title 85, ch. 7, part 21.

**85-7-110. Districts organized under earlier laws.** Any irrigation district organized under the provisions of Chapter 70, Laws of 1907, and Chapter 16, Laws of 1909, shall be governed by the applicable provisions of this chapter. Whenever any irrigation district shall have already been organized under the provisions of said session laws and shall have issued bonds or entered into any contract of purchase or construction, nothing contained in this chapter shall be construed as affecting the rights of the holders of said bonds or of any person, persons, corporation, or association party or parties to any such contract with said district, under or by virtue of any of the provisions of said session laws. If a majority of the holders of title or evidence of title to lands included in the district heretofore organized under the provisions of said session laws (said holders of title or evidence of title, also representing a majority in acreage of irrigable lands of said district) shall petition under the provisions of this part for the organization of a new district, including not less than four-fifths of the irrigable lands embraced within such districts so organized, and shall pray for an order disorganizing such district and vacating all proceedings therein, the court shall have jurisdiction to proceed under this part and part 15 to organize such new district and, in making its final order creating such new district, shall also make an order vacating and disorganizing the old district. All money or property belonging to such old district shall be and become the money and property of such new district. Should any lands included in the old district not be included in the new district, the commissioners of the latter shall pay to the owner or owners of such land their just proportion thereof, on the basis of the last assessment made.

**History: En. Sec. 67, Ch. 146, L. 1909; re-en. Sec. 7263, R.C.M. 1921; re-en. Sec. 7263, R.C.M. 1935; R.C.M. 1947, 89-2110(part).**

**Cross-References**

Ex post facto, obligation of contracts, and irrevocable privileges, Art. II, sec. 31, Mont. Const.

Dissolution of districts, Title 85, ch. 7, part 10.

## Part 2

## Creation of Districts — Adjudicated Streams

**85-7-201. Creation of districts by owners of water of adjudicated streams.** It is the purpose and intention of this part, in the furtherance of public welfare, to provide an effective public agency for the improvement, development, and maintenance of certain existing irrigation systems in cases where administration thereof, through the agency of a water commissioner and the existing statutes, is not effective.

**History: En. Sec. 1, Ch. 117, L. 1933; re-en. Sec. 7187.4, R.C.M. 1935; R.C.M. 1947, 89-1318.**

**85-7-202. Application of part.** This part shall apply only when 20 or more owners of land with water rights appurtenant thereto are being served by one stream and its branches or from one source of water supply and in which the rights to the use of water shall have been determined by decree of a court of competent jurisdiction and at least 2,000 acres of land, contiguous in location or of reasonably compact area, are being served by the single stream or source.

**History: En. Sec. 2, Ch. 117, L. 1933; re-en. Sec. 7187.5, R.C.M. 1935; amd. Sec. 20, Ch. 460, L. 1977; R.C.M. 1947, 89-1319.**

**Cross-References**

Water Courts, Title 3, ch. 7.

**85-7-203. Petition, hearing, and order.** Whenever the owners of land and water rights, as described in 85-7-202, desire to organize for the purposes mentioned in this part, a petition to that effect, signed by not less than 60% of the individual landowners who represent not less than 51% of the irrigable acres to be affected by the proposed district and 51% of the cubic feet of water per second decreed or adjudicated in the stream from which the irrigation district is to operate, shall be filed with the clerk of the district court of the county or counties in which the district is to be created. For the purpose of determining whether the requirements of acreage and cubic feet of water per second have been met by the petition, water diverted from the adjudicated stream and distributed under irrigation districts other than the one to be created under this part may not be considered; however, such water and acreage shall be required to pay all assessments the same as other water and acreage affected by irrigation districts created under this part. Upon filing of the petition, the court shall set a date for a hearing on the petition and a written notice shall be mailed, not less than 5 days prior to the hearing, to each landowner or water right owner affected by the proposed district. If the court finds from such hearing that an irrigation district, as prayed for in the petition, is feasible and practical, the court shall issue an order creating the irrigation district. The order shall constitute the authority for the district to function for the purposes and intent as outlined in this part. The court shall appoint five commissioners who are landowners or water right owners affected by such district to act until the first annual meeting.

**History:** En. Sec. 3, Ch. 117, L. 1933; re-en. Sec. 7187.6, R.C.M. 1935; amd. Sec. 21, Ch. 460, L. 1977; R.C.M. 1947, 89-1320.

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

**85-7-204. Election of board of trustees.** On the first Monday in March of each year after the creation of the district, a meeting of the water right owners of such district shall be called, time and place for such meeting to be published in at least two issues of the local paper prior to such meeting, and at such meeting a board of trustees of five members to serve for 1 year shall be elected by ballot.

**History:** En. Sec. 4, Ch. 117, L. 1933; re-en. Sec. 7187.7, R.C.M. 1935; R.C.M. 1947, 89-1321.

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-205. Duty of trustees, levy, and indebtedness.** The board of trustees may develop the source of supply; clean, improve, and develop the channel of the stream; and do and perform other work on the main distributing system as will be beneficial to the better distribution of the waters of the decreed water right stream and may cover the expenses of such work by levy. Whenever waters of the stream under the irrigation district created by this part are commingled with other waters or it is difficult to determine how many acres are irrigable by the water rights held in the stream, the acre basis of levy shall be determined by the number of cubic feet of water per second owned by such party or parties at the rate of .025 cubic feet of water per second to the acre. The board may not issue bonds or incur any indebtedness other than warrant indebtedness under the limitations imposed by law.

**History:** En. Sec. 5, Ch. 117, L. 1933; re-en. Sec. 7187.8, R.C.M. 1935; amd. Sec. 22, Ch. 460, L. 1977; R.C.M. 1947, 89-1322; amd. Sec. 1, Ch. 112, L. 1981.

**Cross-References**

The Natural Streambed and Land Preservation Act of 1975, Title 75, ch. 7, part 1.

Indebtedness, bonds, and bankruptcy, Title 85, ch. 7, part 20.

**85-7-206. Basis and apportionment of annual tax.** The annual tax levy and the apportionment and distribution of the total amount required to be raised in any year shall be had and done in accordance with the provisions and limitations of law applicable to irrigation districts organized under the provisions of parts 1 and 15 of this chapter.

**History:** **En. Sec. 6, Ch. 117, L. 1933; re-en. Sec. 7187.9, R.C.M. 1935; R.C.M. 1947, 89-1323.**

**Cross-References**

Taxes and assessments of irrigation districts, Title 85, ch. 7, part 21.

**85-7-207. Part not to conflict with other regulations.** This part is not intended to conflict in any way with present statutes governing the appointment and duties of water commissioners on adjudicated water right streams or the operation of statutes as to the jurisdiction of courts over such commissioners and water rights and distribution of water under court decree but is for the sole purpose of making it possible for users of water out of decreed water right streams to improve the stream channel and conserve water in the best possible manner through the agency of an irrigation district, as provided for in this part.

**History:** **En. Sec. 7, Ch. 117, L. 1933; re-en. Sec. 7187.10, R.C.M. 1935; R.C.M. 1947, 89-1324.**

**Cross-References**

Water Courts, Title 3, ch. 7.

Appointment of Water Commissioners, 3-7-211, 85-5-101, 85-5-402, 85-5-407.

The Natural Streambed and Land Preservation Act of 1975, Title 75, ch. 7, part 1.

**85-7-208. Dissolution of district.** A district created under this part may be dissolved by court order upon proper hearing and in the same manner as this part provides for its creation.

**History:** **En. Sec. 8, Ch. 117, L. 1933; re-en. Sec. 7187.11, R.C.M. 1935; R.C.M. 1947, 89-1325.**

**Cross-References**

Dissolution of districts, Title 85, ch. 7, part 10.

## Part 3

## Creation of Districts
## Common Water Supply

**85-7-301. Creation of district by owners of rights in common water supply.** (1) It is a purpose and intention of this part, in the furtherance of the public welfare, to provide an effective public agency for the improvement, development, operation, maintenance, and administration of certain existing irrigation systems in cases where administration thereof through the agency of a water commissioner is not effective.

(2) It is a purpose and intention of this part to extend to irrigation districts organized hereunder the powers, duties, and status of the public corporations organized under the irrigation district laws of the state of Montana, as the same may now or hereafter exist; provided, that neither such districts nor the board of commissioners thereof shall have any power or authority to issue bonds or incur indebtedness, other than warrant indebtedness, under the limitations proposed by law. This part does not contemplate the acquisition

by the district of the existing water, water rights, or system or works owned by the respective water right owners within the district.

**History:** **En. Secs. 1, 8, Ch. 100, L. 1925; re-en. Secs. 7264.1, 7264.8, R.C.M. 1935; R.C.M. 1947, 89-2111, 89-2118.**

**Cross-References**

Business corporations, Title 35, ch. 1.

**85-7-302. Application of part.** This part shall apply only when more than 15 owners of land, with water rights appurtenant thereto, shall have diverted water by means of a single intake from the source of supply and shall have provided a single canal for conveying such water to the branches and laterals of an established irrigation system, serving at least 1,000 acres of land contiguous in location or of reasonably compact area and in which the rights to the use of the water shall have been determined by decree of a court of competent jurisdiction.

**History:** **En. Sec. 2, Ch. 100, L. 1925; re-en. Sec. 7264.2, R.C.M. 1935; amd. Sec. 1, Ch. 134, L. 1943; R.C.M. 1947, 89-2112.**

**85-7-303. Establishment of district.** Whenever the owners of land and water rights, situated as described in 85-7-302, desire to organize for the purposes mentioned in this part, such owners may propose the establishment and organization of an irrigation district under the provisions of this chapter, except part 2, insofar as such laws are applicable hereto and not in conflict with the purposes and provisions of this part.

**History:** **En. Sec. 3, Ch. 100, L. 1925; re-en. Sec. 7264.3, R.C.M. 1935; R.C.M. 1947, 89-2113.**

**85-7-304. Sections not applicable.** The provisions of 85-7-1911(1) and (2), 85-7-1934, 85-7-1935, 85-7-1941 through 85-7-1943, 85-7-2001, 85-7-2011 through 85-7-2027, 85-7-2031, 85-7-2032, and 85-7-2141 shall have no application to the organization of irrigation districts under this part.

**History:** **En. Sec. 4, Ch. 100, L. 1925; re-en. Sec. 7264.4, R.C.M. 1935; R.C.M. 1947, 89-2114.**

**85-7-305. Apportionment of water by commissioners.** The board of commissioners shall apportion the water for irrigation among the lands of the district in a just and equitable manner and in compliance with the decree adjudicating the rights thereto, but the maximum amount apportioned to any land shall be the amount that can be beneficially used thereon.

**History:** **En. Sec. 5, Ch. 100, L. 1925; re-en. Sec. 7264.5, R.C.M. 1935; R.C.M. 1947, 89-2115.**

**Cross-References**

Priority, 85-2-401.

**85-7-306. Development of water supply — levy for expenses.** The board of commissioners of such irrigation district shall have authority to develop the source of supply and increase the means of distribution of water to the end that all owners of water rights under the system shall receive the amount of water which can be beneficially used upon their lands within the district. The board may levy against each irrigable acre of land in the district on account of administrative expenses, cost of maintenance and repairs, development of water supply, or enlargement of distribution facilities.

**History:** **En. Sec. 6, Ch. 100, L. 1925; re-en. Sec. 7264.6, R.C.M. 1935; R.C.M. 1947, 89-2116; amd. Sec. 2, Ch. 112, L. 1981.**

**Cross-References**

Beneficial use defined, 85-2-102.

**85-7-307. Tax levy.** The annual tax levy and the apportionment and distribution of the total amount required to be raised in any year shall be had and done in accordance with the provisions and limitations of law applicable to other irrigation districts organized under parts 1 and 15 of this chapter.

**History:** En. Sec. 7, Ch. 100, L. 1925; re-en. Sec. 7264.7, R.C.M. 1935; R.C.M. 1947, 89-2117.

**Cross-References**

Taxes and assessments, Title 85, ch. 7, part 21.

**85-7-308. Validity of districts organized earlier.** Any irrigation district which has been heretofore organized under procedure in substantial compliance with the provisions of this part shall, upon March 10, 1925, become a public corporation, with the privileges and powers hereby conferred, to the same extent as if such irrigation district were organized under the authority of this part.

**History:** En. Sec. 9, Ch. 100, L. 1925; re-en. Sec. 7264.9, R.C.M. 1935; R.C.M. 1947, 89-2119.

**Cross-References**

Ex post facto, obligation of contracts, and irrevocable privileges, Art. II, sec. 31, Mont. Const.

Business corporations — dissolution and liquidation, Title 35, ch. 1, part 9.

## Part 4

## Subdistricts

**Part Compiler's Comments**

*Effective Date:* Section 36, Ch. 439, L. 1989, provided that this part is effective April 4, 1989.

**85-7-401. Authority to create subdistricts — petition — requirements.** (1) The board of commissioners of an irrigation district created and organized under Title 85, chapter 7, parts 1 and 15, may establish one or more subdistricts within the irrigation district to provide for and finance the cost of irrigation works, including gravity irrigation systems, gravity measure systems, or sprinkling systems, that would irrigate lands in the subdistrict but not other lands in the district. A subdistrict may be established only upon a petition signed by at least 60%, in number and acreage, of the holders of title or evidence of title to lands to be included within the subdistrict. The petition must be addressed to and filed with the board of commissioners and be accompanied by a map or plat of the proposed subdistrict.

(2) The petition must state:

(a) the name suggested for the proposed subdistrict;

(b) a general description of the land to be included in the proposed subdistrict;

(c) the name of each holder of title or evidence of title to the lands in the proposed subdistrict, as determined according to 85-7-101 and 85-7-102 and, if a holder is a nonresident of the county or counties in which the proposed district lies, the post-office address of the nonresident owner, if known;

(d) the general water source from which the land in the proposed subdistrict will be irrigated and the general character of the works, water rights, canals, and other property proposed to be acquired or constructed for irrigation purposes in or for the benefit of the proposed subdistrict; and

(e) a request that the land within the proposed subdistrict be made a subdistrict according to the provisions of 85-7-401 through 85-7-404.

**History: En. Sec. 1, Ch. 439, L. 1989.**

**85-7-402. Notice of hearing on petition to create subdistrict.** (1) Upon the filing of a petition to create a subdistrict, the board of commissioners of the irrigation district shall by order fix the time and place for a hearing on the petition and shall direct that notice of the hearing be given.

(2) The notice of the hearing must state:

(a) the name of the proposed subdistrict and its purpose;

(b) the time and place of the hearing;

(c) a general description of the land proposed to be included in the subdistrict;

(d) a general description of the water source; and

(e) the general character of the works, water rights, canals, and other property proposed to be acquired or constructed in or for the benefit of the subdistrict.

(3) The board shall publish notice of the hearing at least once a week for 2 successive weeks in a newspaper published in each county in which the proposed subdistrict is located. The first publication must occur not less than 15 days before the date of the hearing.

(4) Notice of the hearing must also be mailed not less than 15 days before the date of the hearing to each holder of title or evidence of title to land within the proposed subdistrict. However, a defect in the notice or failure to give mailed notice does not affect the validity of the proceeding for the creation of a subdistrict under 85-7-401 through 85-7-404.

**History: En. Sec. 2, Ch. 439, L. 1989.**

**85-7-403. Hearing on petition to create subdistrict.** (1) The board of commissioners shall hear the petition at the time specified in the notice provided under 85-7-402. The board may adjourn the hearing for lack of sufficient notice or other good cause. The hearing must be completed within 3 weeks of the initial hearing.

(2) Upon application of the petitioners or any interested person or persons, the board shall allow the petition to be amended and may order that additional notice be given.

(3) At the hearing, any person whose land or property rights may be damaged or benefited by the creation of the subdistrict or by the irrigation works or improvements to be acquired or constructed in or for the benefit of the subdistrict may appear and submit oral or written testimony.

**History: En. Sec. 3, Ch. 439, L. 1989.**

**85-7-404. Review of petition — creation of irrigation subdistrict.** (1) After the hearing on the creation of the proposed subdistrict, the board of commissioners shall by resolution create the subdistrict if it finds that:

(a) the petition substantially complies with the provisions of 85-7-401; and

(b) it is in the best interests of the holders of title or evidence of title in the subdistrict and the district to establish the subdistrict.

(2) The board shall describe in the resolution the land to be included in the subdistrict. The land does not need to be contiguous but must be located within the district.

(3) In creating the subdistrict proposed by the petition, the board may alter the geographic area of the subdistrict or the scope or type of irrigation improvements to be undertaken in or for the benefit of the subdistrict, subject to the following conditions:

(a) The board may not include within the subdistrict land not identified by the petition as part of the proposed subdistrict unless notice and hearing on the addition are provided according to 85-7-402 and 85-7-403.

(b) The board may not exclude land from the proposed subdistrict if:

(i) the land can be irrigated from the same general source and by the same general system of works proposed for other land in the subdistrict; and

(ii) the owner or owners of the land file a written statement with the board requesting that the land be included in the subdistrict.

(c) The board shall exclude land from the proposed subdistrict if it determines that:

(i) the land will not benefit from irrigation obtained from the works of the proposed subdistrict; or

(ii) the land has appurtenant water rights or can be irrigated from sources more feasible than the proposed subdistrict and the owner or owners of the land have not filed a written statement with the board consenting to inclusion of the land in the subdistrict.

(4) For purposes of including or excluding land from a proposed subdistrict, the board of commissioners may subdivide any tract into 40-acre or smaller parcels.

(5) The creation of a subdistrict by the board of commissioners is conclusive on all owners of land within the subdistrict unless, within 30 days after adoption by the board of the resolution establishing the subdistrict, a holder of title or evidence of title to land within the subdistrict petitions the district court of the county in which the greater portion of the proposed subdistrict is located, for review of the creation of the subdistrict. Upon the timely filing of a petition for review of the creation of the subdistrict, the district court shall conduct a hearing and shall issue a decision in substantially the same manner required for review of a petition for an irrigation district under 85-7-105 through 85-7-108. The district court shall base its decision on whether the requirements of 85-7-401 through 85-7-403 and subsections (1) through (4) of this section have been met.

(6) A proceeding initiated in the district court for review of the validity of the bond issue or issues to finance the irrigation improvements to be undertaken in the subdistrict may be consolidated with a proceeding initiated under this section. Any indebtedness or liability incurred by the board of commissioners of the district with respect to or on behalf of a subdistrict, including bonds issued by the district, may not constitute a charge or lien on any land in the district except the land within the subdistrict.

**History:** **En. Sec. 4, Ch. 439, L. 1989.**

**85-7-405 through 85-7-410 reserved.**

**85-7-411. Alteration and determination of subdistrict acreage.** (1) Land may be deleted from or added to the subdistrict in the same manner provided for irrigation districts in 85-7-1801 through 85-7-1810.

(2) Land in a subdistrict that is deleted from an irrigation district remains in the subdistrict unless it is specifically deleted from the subdistrict according to subsection (1).

(3) The taxable area of the land in the subdistrict may be determined in the manner provided in 85-7-1841 through 85-7-1845.

**History:** **En. Sec. 5, Ch. 439, L. 1989.**

**85-7-412. Dissolution of subdistrict.** A subdistrict created under 85-7-404 may be dissolved by order of the district court of the county in which the greatest portion of lands of the subdistrict are located, in the manner provided for dissolution of irrigation districts in Title 85, chapter 7, part 10.

**History:** **En. Sec. 6, Ch. 439, L. 1989.**

## Parts 5 through 9 reserved

## Part 10

## Dissolution of Districts

**85-7-1001. Proceedings for dissolution of district.** (1) Whenever an irrigation district has been organized under the provisions of parts 1 and 15, then such district may be dissolved by an order of the district court of the county in which the lands or the greater portion of the lands are situate whenever:

(a) no irrigation plant or system for the irrigation of the lands in the district has been constructed or purchased;

(b) no bonded indebtedness has been incurred; and

(c) all expenses for the organization and all other indebtedness of the district have been paid.

(2) In order that the district court may acquire jurisdiction to enter such order dissolving the district, a petition must be filed with the clerk of said district court, signed by an equal number of holders of title or evidence of title as are required to sign the original petition for the creation of the district. The district court must make an order for the hearing of said petition within 30 days from its filing, and the clerk of the court must give due notice of the hearing of such petition by posting three notices in three public places in said district and by publication of a notice of the hearing for 2 successive weeks in a newspaper of general circulation published in the county. Upon the hearing of said petition, any person interested may appear and give evidence for or against the granting of said petition. If, upon said hearing, the court finds that no bonded indebtedness of the district has been created and all of the expenses of organization and all other indebtedness have been paid and that the best interests of the landowners of said district require that the district shall be dissolved, the district court shall make such order dissolving said

district and shall cause a certified copy of the order to be recorded in the office of the county clerk and recorder of said county.

**History:** **En. Sec. 3, Ch. 96, L. 1919; re-en. Sec. 7253, R.C.M. 1921; re-en. Sec. 7253, R.C.M. 1935; R.C.M. 1947, 89-2001.**

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

Role and duties of County Clerk, 7-4-2611.

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-1002. Dissolution of districts having incurred indebtedness.** (1) Any irrigation district organized and existing under the laws of the state of Montana may be dissolved by an order of the district court of the county in which the land or the greater portion of the lands of the district are situated.

(2) In case a district has incurred bonded indebtedness and has constructed or purchased any irrigation plant or system for the irrigation of the land in the district, it shall be necessary, in order that the district court may acquire jurisdiction to enter an order dissolving the district, that a petition be filed with the clerk of said district court. This petition shall be signed by an equal number of holders of title or evidence of title as are required to sign the original petition for the creation of the district and must also be signed by a sufficient number of bondholders of the district or by their assignees or duly authorized agents, representing at least 80% of the outstanding bonds of said district.

(3) In case a district has incurred bonded indebtedness but has not constructed or purchased any irrigation plant or system for the irrigation of land in the district and more than 10 years have expired since the date of organization of the district, then in such case, such district may be dissolved by an order of the district court of the county in which the land or the greater part of the lands are situated if the petition praying for dissolution shall be signed by a majority of the board of irrigation district commissioners and also by a sufficient number of bondholders of the district or by their assignees or duly authorized agents, representing at least 80% of the outstanding bonds of said district.

**History:** **En. Sec. 1, Ch. 60, L. 1933; re-en. Sec. 7253.1, R.C.M. 1935; amd. Sec. 1, Ch. 144, L. 1943; R.C.M. 1947, 89-2002.**

**Cross-References**

General duties of Clerk of the District Court, 3-5-501.

**85-7-1003. Contents of petition.** The petition of 85-7-1002 shall set forth the amount of the outstanding bonds, coupons, and other indebtedness, if any, together with the general description of them, showing the amount of each described indebtedness and the ownership, so far as known, of the indebtedness. The petition shall also state the assets of the district, including any irrigation systems, dams, reservoirs, canals, franchises, water rights, and other property; and in case any proposition has been made by the holders of the indebtedness to settle the indebtedness, this proposition, together with any plan proposed to carry the proposition into execution, shall be included in the petition.

**History:** **En. Sec. 2, Ch. 60, L. 1933; re-en. Sec. 7253.2, R.C.M. 1935; amd. Sec. 37, Ch. 460, L. 1977; R.C.M. 1947, 89-2003.**

**85-7-1004. Use of corporation to carry out dissolution plan.** In carrying out such plan and proposition, a corporation may be organized under the general laws for the purpose of acquiring the assets of said district, including the irrigation system, if any, dams, reservoirs, canals, franchises, water rights, and other property, which corporation shall have all the powers, rights, and franchises of corporate bodies organized under general laws and in addition shall have such further power as may be necessary to possess and carry on said irrigation system and exercise such franchise and water rights.

**History:** En. Sec. 3, Ch. 60, L. 1933; re-en. Sec. 7253.3, R.C.M. 1935; R.C.M. 1947, 89-2004.

**Cross-References**

Corporations — dissolution and liquidation, Title 35, ch. 1, part 9.

**85-7-1005. Hearing on petition, notice, and order.** The district court must make an order for the hearing of the petition for the dissolution of the district within 30 days from its filing, and the clerk of the court must give due notice of the hearing of said petition by posting three notices in three public places in said district and by publication of a notice of the hearing for 2 successive weeks in a newspaper of general circulation published in the county and by mailing notice of said hearing to all known bondholders of the district. Upon the hearing of said petition, any person interested may appear and give evidence for or against the granting of said petition.

**History:** En. Sec. 4, Ch. 60, L. 1933; re-en. Sec. 7253.4, R.C.M. 1935; R.C.M. 1947, 89-2005.

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-1006. Court's authority at hearing.** (1) At the hearing by said court it shall determine the regularity, legality, and correctness of all proceedings and in so doing shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties. The rules of pleading and practice in Title 25 not inconsistent with the provisions of this part are made applicable to the proceedings herein provided. The proceedings herein are declared to be for the general interest of the public and state. The hearing upon said petition shall be considered as an equitable action in rem.

(2) If the court shall consider, after hearing, that the plan proposed in the petition is not in the public interest and will not promote public welfare or is unfair to bondholders or property holders or general creditors, it may allow the petitioners to amend their petition and to submit a modified or different plan and hear the amended petition and hear and dispose of objections to the same. The judgment may dissolve the district as a public corporation; transfer water rights appurtenant to lands, whether represented by shares of stock or otherwise; and divest the lien of bonds upon lands in the district.

**History:** En. Sec. 5, Ch. 60, L. 1933; re-en. Sec. 7253.5, R.C.M. 1935; R.C.M. 1947, 89-2006.

**Cross-References**

Power of court to liquidate assets and business of corporation — venue, 35-1-921.

Procedure in liquidation of corporation by court, 35-1-922.

**85-7-1007. Court decree and sale of assets.** (1) The court, in its decree, shall have the power to make the orders necessary to carry out said proposition for the discharge of the indebtedness and distribution of the property of said district and may decree a sale of its assets in such manner as may effectuate said proposition and as the court may judge best, either in one lot or in such parcels as may be provided and may provide for conveyance of said irrigation system, including dams, reservoirs, canals, franchises, water rights, and other property and also of any other assets of the district, including lands sold thereto.

(2) The court, in its investigation and determination of said matter, may take into consideration the fact that payments have been made by certain of the water users in excess of other water users who have defaulted. In its decree the court may require that the purchaser of the assets may give consideration to various water users for payments theretofore made by them on the irrigation system.

**History:** **En. Sec. 6, Ch. 60, L. 1933; re-en. Sec. 7253.6, R.C.M. 1935; R.C.M. 1947, 89-2007.**

**Cross-References**

Power of court to liquidate assets and business of corporation — venue, 35-1-921.

**85-7-1008. Final decree of dissolution — when made.** Whenever all the property of such irrigation district shall have been disposed of and all the obligations thereof, if any there be, shall have been discharged, the court shall enter a final decree declaring said district to be dissolved.

**History:** **En. Sec. 7, Ch. 60, L. 1933; re-en. Sec. 7253.7, R.C.M. 1935; R.C.M. 1947, 89-2008.**

**Cross-References**

Business corporations — filing of decree of dissolution, 35-1-927.

## Parts 11 through 13 reserved

## Part 14

## Irrigation District Revenue Bond Act

**85-7-1401. Short title.** This part may be cited as the "Irrigation District Revenue Bond Act".

**History:** **En. Sec. 1, Ch. 193, L. 1987.**

**85-7-1402. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Irrigation district" means a district created pursuant to Title 85, chapter 7, part 1.

(2) "Issuer" means the board of commissioners of an irrigation district or a board of control created pursuant to Title 85, chapter 7, part 16.

(3) "Revenues" means any fees, charges, rates, rents, or lease payments.

(4) "Undertaking" means any one or a combination of the following:

(a) water sources, water rights, irrigation canals, irrigation systems, including pumping facilities or gravity measure systems, reservoirs, reservoir sites, or small power production facilities that are:

(i) certified as such by the federal energy regulatory commission; and

(ii) are associated with federal reclamation projects;

(b) any real or personal property or water rights related to or necessary to provide, operate, and maintain an undertaking listed in subsection (4)(a).

**History:** **En. Sec. 2, Ch. 193, L. 1987.**

**85-7-1403. Interpretation.** (1) The powers conferred in this part are in addition to the powers conferred by any other general, special, or local law.

(2) An undertaking may be acquired, constructed, or improved, and bonds may be issued under this part for such purposes, notwithstanding the provisions of Title 85, chapter 7.

(3) If the provisions of this part are inconsistent with the provisions of Title 85, chapter 7, the provisions of this part control.

**History:** **En. Sec. 3, Ch. 193, L. 1987.**

**85-7-1404 through 85-7-1410 reserved.**

**85-7-1411. Authority to acquire, construct, maintain, operate, and lease various undertakings.** (1) An irrigation district may:

(a) construct, acquire by gift, purchase, lease, or improve any undertaking, within or outside the irrigation district, and acquire by gift, purchase, or lease land or rights in land or water rights in connection with the undertaking;

(b) operate and maintain or enter into a contract for the operation and maintenance of any undertaking and furnish or enter into a contract for the furnishing of services, facilities, and commodities of the undertaking for its own use and for the use of public and private consumers within or outside the territorial boundaries of the irrigation district. However, an irrigation district may not furnish or enter into a contract for the furnishing of electrical energy or capacity except to a qualified purchaser under the Public Utility Regulatory Policy Act of 1978.

(c) lease any undertaking to a private or governmental entity.

(2) Nothing in this section may be construed to permit an irrigation district to condemn any property owned or controlled by a rural electric cooperative or a utility, whether publicly or privately owned. An irrigation district is expressly prohibited from condemning such property.

**History:** **En. Sec. 4, Ch. 193, L. 1987.**

**85-7-1412. Joint undertakings.** Irrigation districts, through their respective boards of commissioners, may enter into contracts to jointly plan, acquire, construct, operate, maintain, and finance any undertaking in accordance with Title 85, chapter 7, part 16. The contract must specify, if an undertaking is financed under this part:

(1) that the contract cannot be terminated prior to the redemption or cancellation of any bonds issued under it; and

(2) the manner of disposing of the undertaking upon termination of the contract.

**History:** **En. Sec. 5, Ch. 193, L. 1987.**

**85-7-1413. Authority to issue revenue bonds.** An irrigation district may:

(1) issue its bonds to finance in whole or in part the acquisition, construction, or improvement of any undertaking; and

(2) pledge to the punctual payment of bonds issued under this part and interest thereon an amount of the revenue of the undertaking (including subsequent improvements or extensions) sufficient to pay the bonds and interest as they become due, and maintain reasonable reserves therefor.

**History:** **En. Sec. 6, Ch. 193, L. 1987.**

**85-7-1414. Determination of cost.** An issuer, in determining costs for purposes of 85-7-1413, may include:

(1) all costs and estimated costs of the issuance of the bonds;

(2) all engineering, inspection, fiscal, and legal expenses; and

(3) interest that it estimates will accrue during the construction period and for 6 months thereafter on money borrowed or that it estimates will be borrowed.

**History:** **En. Sec. 7, Ch. 193, L. 1987.**

**85-7-1415. Nature of revenue bonds.** (1) No holder of any bonds issued under this part may compel the levy of any tax or assessment on property within the irrigation district to pay the bonds or interest thereon.

(2) Each bond issued under this part must recite in substance that:

(a) the bond, including interest thereon, is payable from the revenue pledged to the payment thereof or any other security pledged therefor, including a lien on the undertaking; and

(b) the bond does not constitute a debt of the irrigation district within the meaning of any constitutional or statutory limitation or provision.

**History:** **En. Sec. 8, Ch. 193, L. 1987.**

**85-7-1416. Undertakings to be self-supporting.** (1) An issuer issuing bonds pursuant to this part shall collect reasonable fees for the services, facilities, and commodities of the undertaking and shall revise the fees from time to time so that the undertaking remains self-supporting.

(2) The fees prescribed must produce revenue at least sufficient to:

(a) pay when due all bonds and interest thereon for which the revenue is pledged, including reserves; and

(b) provide for all expenses of operation and maintenance of the undertaking, including reserves.

**History:** **En. Sec. 9, Ch. 193, L. 1987.**

**85-7-1417. Use of revenue from undertaking.** (1) An issuer of bonds pursuant to this part for the acquisition, construction, or improvement of any undertaking may apply the revenue of the undertaking for the following purposes:

(a) to pay when due all bonds and interest thereon for which the revenue is pledged, including reserves;

(b) to provide for all expenses of operation and maintenance of the undertaking, including reserves;

(c) to pay and discharge notes, bonds, or other obligations and interest thereon not issued under this part for which the revenue of the undertaking is pledged;

(d) to pay and discharge notes, bonds, or other obligations and interest thereon that do not constitute a lien or encumbrance on the revenue of the undertaking and which were issued for the purpose of financing the acquisition, construction, or improvement of the undertaking; and

(e) to provide a reserve for improvements to the undertaking.

(2) Unless adequate provision has been made for the purposes listed in subsection (1), no irrigation district may transfer the revenue of the undertaking to its general fund.

**History:** **En. Sec. 10, Ch. 193, L. 1987.**

**85-7-1418. Authorization for undertaking and issuance of bonds.** (1) The acquisition, construction, or improvement of any undertaking may be authorized under this part.

(2) Bonds may be authorized to be issued under this part by resolution of the governing body of the issuer without an election.

**History:** **En. Sec. 11, Ch. 193, L. 1987.**

**85-7-1419. Covenants in resolution authorizing issuance of bonds.** A resolution authorizing the issuance of bonds under this part may contain covenants relating to:

(1) the purposes for which the proceeds of sale of the bonds may be applied and the use and disposition of the proceeds;

(2) the use and disposition of the revenue of the undertaking for which the bonds are to be issued, including the creation and maintenance of reserves;

(3) the issuance of other or additional bonds payable from the revenue of the undertaking;

(4) the operation and maintenance of the undertaking;

(5) the insurance to be carried on the undertaking and the use and disposition of insurance money;

(6) books of account and the inspection and audit of the books; and

(7) the terms and conditions upon which the holders of the bonds or any portion of them or any trustee is entitled to the appointment of a receiver by the district court, which court shall have jurisdiction in such proceedings and which receiver may:

(a) enter and take possession of the undertaking;

(b) operate and maintain the undertaking;

(c) prescribe fees, subject to the approval of the public service commission if such approval is required; and

(d) collect, receive, and apply all revenues in the same manner as the issuer itself might do.

**History:** **En. Sec. 12, Ch. 193, L. 1987.**

**85-7-1420 through 85-7-1430 reserved.**

**85-7-1431. Remedies.** The provisions of the resolution authorizing the bonds are enforceable by any bondholder in any court of competent jurisdiction by mandamus or other appropriate proceeding.

**History:** **En. Sec. 13, Ch. 193, L. 1987.**

**85-7-1432. Presumptions of validity of bonds.** (1) Bonds bearing the signatures of officers in office on the date of the signing of the bonds are valid obligations, notwithstanding that before the delivery of the bonds and payment for the bonds, any of the persons whose signatures appear on the bonds have ceased to be officers.

(2) The validity of the bonds is not dependent on the validity or regularity of any proceedings relating to the acquisition, construction, or improvement of the undertaking for which the bonds are issued.

(3) The resolution authorizing the bonds may provide that the bonds must contain a recital that they are issued pursuant to this part, which recital is conclusive evidence of their validity and of the regularity of the issuance.

**History: En. Sec. 14, Ch. 193, L. 1987.**

**85-7-1433. Liens arising from bonds.** The resolution authorizing the bonds must specify and define the revenues or portion of the undertaking's revenues that is appropriated and pledged for the security and payment of the bond principal and interest and the relative security of liens on the revenues in favor of bonds of one or more series or issues, whether issued concurrently or at different times.

**History: En. Sec. 15, Ch. 193, L. 1987.**

**85-7-1434. Security interest in undertaking.** The issuer may, pursuant to a mortgage, trust indenture, or security agreement, grant a security interest in the real and personal property constituting the undertaking itself.

**History: En. Sec. 16, Ch. 193, L. 1987.**

**85-7-1435. Details relating to revenue bonds.** Bonds authorized to be issued under this part shall bear interest at a rate not exceeding the limitation of 17-5-102, payable semiannually, and may be in one or more series; bear such date or dates; mature at such time or times, not exceeding 40 years from their respective dates of issuance; be payable in such place or places; carry such registration privileges; be subject to such terms of redemption; be executed in such manner; contain such terms, covenants, and conditions; and be in such form, either coupon or registered, as the resolution or subsequent resolutions may provide.

**History: En. Sec. 17, Ch. 193, L. 1987.**

**85-7-1436. Sale of bonds.** (1) Bonds authorized to be issued may be sold at a price less than face value if the issuer determines that the sale is in the best interests of the irrigation district.

(2) (a) The bonds may be sold at private sale to the United States or the state of Montana or an agency, instrumentality, or corporation thereof.

(b) If not sold to the United States or the state of Montana or an agency, instrumentality, or corporation thereof, the bonds must be sold at public sale after notice as provided in 85-7-1437.

**History: En. Sec. 18, Ch. 193, L. 1987.**

**85-7-1437. Notice of sale of bonds.** (1) Except as provided in subsection (2), the notice of sale of bonds required by 85-7-1436 must be published once at least 5 days prior to such sale:

(a) in a newspaper of general circulation in the county in which the office of the issuer is located; and

(b) in a financial newspaper in New York, Chicago, or San Francisco.

(2) If the bond issue is in an amount of less than $150,000, the bond issue must be advertised at least 5 days prior to sale in a newspaper of general circulation throughout the state of Montana.

**History:** **En. Sec. 19, Ch. 193, L. 1987.**

**85-7-1438. Interim receipts or certificates.** Pending the preparation of the definitive bonds, interim receipts or certificates, in a form and with provisions determined by the governing body, may be issued to the purchaser or purchasers of bonds sold pursuant to this part. The bonds and interim receipts or certificates are fully negotiable, as provided by Title 30, chapter 8.

**History:** **En. Sec. 20, Ch. 193, L. 1987.**

## Part 15

## Organization of Districts

**Part Cross-References**

Administration of conservation districts, Title 76, ch. 15, part 3.

Conservancy districts — organization and procedure, Title 85, ch. 9, part 4.

**85-7-1501. Qualifications of commissioners and term of office.** (1) A person may not be a commissioner unless he is an owner of irrigable land within the division of the district he is to represent and is a resident of the county in which the division of the district or some portion of the division is situated.

(2) The commissioners appointed shall hold their respective offices until their respective successors are elected and qualified. Each of the commissioners shall qualify in the same manner as justices of the peace. The bond for a commissioner must be approved by the district court or judge of the district court and filed in the office of the clerk of the court.

**History:** **En. Sec. 5, Ch. 146, L. 1909; amd. Sec. 1, Ch. 145, L. 1915; re-en. Sec. 7170, R.C.M. 1921; re-en. Sec. 7170, R.C.M. 1935; amd. Sec. 16, Ch. 460, L. 1977; R.C.M. 1947, 89-1205(part); amd. Sec. 398, Ch. 571, L. 1979; amd. Sec. 1, Ch. 584, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) substituted "owner of irrigable land within the division of the district he is to represent" for "owner of land within the district" and at end substituted "or some portion of the division is situated" for "or some portion thereof, for which the commissioner is elected, is situated"; in (2), after "hold their respective offices until", deleted "the second Saturday in December following their appointment and until"; and made minor changes in phraseology.

**Cross-References**

Residence — rules for determining, 1-1-215.

General duties of Clerk of District Court, 3-5-501.

Justices of the Peace, Title 3, ch. 10, part 2.

Division of irrigation project into districts, 85-6-105.

**85-7-1502. Organization of board of commissioners and establishment of office.** (1) The commissioners shall meet within 10 days after their appointment and shall organize as a board by the election of one of their number as president. They shall also elect a secretary (who may or may not be a commissioner). Except as provided in part 16 of this chapter, the compensation of the secretary and all other employees authorized under this chapter shall be fixed by the board.

(2) The board shall also at this meeting designate the place where the office of the board shall be established and maintained and its records kept,

which place shall be in the county containing a substantial portion of the lands in the district; and such place shall not be changed except by resolution of the board, of which notice shall be given by at least one publication in some newspaper published or of general circulation in the county wherein the office of the district is located and by posting in at least three public places in each division of the district.

**History:** En. Sec. 6, Ch. 146, L. 1909; re-en. Sec. 7171, R.C.M. 1921; amd. Sec. 2, Ch. 157, L. 1923; re-en. Sec. 7171, R.C.M. 1935; amd. Sec. 1, Ch. 78, L. 1961; R.C.M. 1947, 89-1206.

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

Business corporations — registered office and registered agent, 35-1-305.

**85-7-1503. Board meetings.** (1) All meetings of the board of commissioners shall be public and a complete record of all proceedings shall be kept by the secretary.

(2) Regular meetings of the board shall be held at such times as the board may by rule or bylaw prescribe. Special meetings may be called on 24 hours' notice by the president or any two members of the board or in such other manner and upon such other notice as the board may by rule or bylaw prescribe. All meetings of the board may be adjourned as the board shall order or direct. A majority of the commissioners shall constitute a quorum.

**History:** En. Sec. 7, Ch. 146, L. 1909; re-en. Sec. 7172, R.C.M. 1921; re-en. Sec. 7172, R.C.M. 1935; R.C.M. 1947, 89-1207.

**Cross-References**

Open meetings, Title 2, ch. 3, part 2.

**85-7-1504. Bonds for commissioner and secretary.** (1) In all cases where the obligations of the district, either existing or proposed, total $250,000 or over, the commissioners of an irrigation district shall each furnish a bond in the penal sum of $2,500, with corporate surety conditioned for the faithful performance of their duties under this chapter. The secretary shall furnish bond, with corporate surety, in the sum of $1,000, conditioned for the faithful performance of his duties pursuant to this chapter and for the proper safekeeping of the records and documents of the district. In all other cases the bond for the commissioners shall be in the sum of $1,000.

(2) In case any district established under this chapter is appointed fiscal agent of the United States or is authorized by the United States to make collections of moneys for and on behalf of the United States in connection with any federal reclamation project, each commissioner shall execute a further and additional official bond in such sum as the secretary of the interior may require, conditioned for the faithful discharge of the duties of his office and the faithful discharge by the district of its duties as fiscal or other agent of the United States under any such appointment or authorization, and any such bond may be sued upon by the United States or by any person injured by the failure of the commissioner or the district to fully, promptly, and completely perform their respective duties.

**History:** (1)En. Sec. 8, Ch. 146, L. 1909; amd. Sec. 1, Ch. 120, L. 1921; re-en. Sec. 7173, R.C.M. 1921; amd. Sec. 3, Ch. 157, L. 1923; amd. Sec. 1, Ch. 116, L. 1927; amd. Sec. 1, Ch. 15, L. 1929; re-en. Sec. 7173, R.C.M. 1935; amd. Sec. 1, Ch. 62, L. 1965; amd. Sec. 1, Ch. 153, L. 1973; amd. Sec. 17, Ch. 460, L. 1977; Sec. 89-1208, R.C.M. 1947; (2)En. Sec. 5, Ch. 146, L. 1909; amd. Sec. 1, Ch. 145, L. 1915; re-en. Sec. 7170, R.C.M. 1921; re-en. Sec. 7170, R.C.M.

**1935; amd. Sec. 16, Ch. 460, L. 1977; Sec. 89-1205, R.C.M. 1947; R.C.M. 1947, 89-1205(part), 89-1208(3).**

**Cross-References**

General provisions related to official bonds, Title 2, ch. 9, part 5.

Bonds of state officers and employees, Title 2, ch. 9, part 6.

Suretyship, Title 28, ch. 11, part 4.

**85-7-1505. Compensation and expenses of commissioners.** The commissioners, when sitting as a board or when engaged in the business of the district, are entitled to compensation of $25 for each day they are actually and necessarily engaged in the performance of irrigation district duties and to reimbursement for travel expenses as provided in 2-18-501 through 2-18-503, and for their necessary expenses when otherwise engaged on district business, including premiums on qualifying bonds and any other bonds required of them in connection with their office.

**History: En. Sec. 8, Ch. 146, L. 1909; amd. Sec. 1, Ch. 120, L. 1921; re-en. Sec. 7173, R.C.M. 1921; amd. Sec. 3, Ch. 157, L. 1923; amd. Sec. 1, Ch. 116, L. 1927; amd. Sec. 1, Ch. 15, L. 1929; re-en. Sec. 7173, R.C.M. 1935; amd. Sec. 1, Ch. 62, L. 1965; amd. Sec. 1, Ch. 153, L. 1973; amd. Sec. 17, Ch. 460, L. 1977; R.C.M. 1947, 89-1208(1); amd. Sec. 3, Ch. 112, L. 1981; amd. Sec. 5, Ch. 672, L. 1983.**

**Cross-References**

Public employees — travel, meals, and lodging, Title 2, ch. 18, part 5.

Proceedings subsequent to presenting petition, 85-7-1833.

**85-7-1506. Liability of officers.** For any willful violation of any express duty hereunder on the part of any officer herein named, he shall be liable upon his official bond and be subject to removal from office by proceedings brought by any tax or assessment payer of the district in the district court of the county wherein the office of the board of commissioners of the district is located.

**History: En. Sec. 61, Ch. 146, L. 1909; re-en. Sec. 7256, R.C.M. 1921; re-en. Sec. 7256, R.C.M. 1935; R.C.M. 1947, 89-2103.**

**Cross-References**

Code of ethics for public employees, Title 2, ch. 2, part 1.

Extent of sureties' liability, 2-9-511.

Montana Recall Act, Title 2, ch. 16, part 6.

**85-7-1507. Conflict of interest — criminal penalty.** No commissioner or any other officer named in this chapter may in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board or in the profits derived therefrom. For any violation of this provision, such officer is guilty of a misdemeanor and his conviction thereof shall work forfeiture of his office and he shall be punished as provided in 45-7-401.

**History: En. Sec. 8, Ch. 146, L. 1909; amd. Sec. 1, Ch. 120, L. 1921; re-en. Sec. 7173, R.C.M. 1921; amd. Sec. 3, Ch. 157, L. 1923; amd. Sec. 1, Ch. 116, L. 1927; amd. Sec. 1, Ch. 15, L. 1929; re-en. Sec. 7173, R.C.M. 1935; amd. Sec. 1, Ch. 62, L. 1965; amd. Sec. 1, Ch. 153, L. 1973; amd. Sec. 17, Ch. 460, L. 1977; R.C.M. 1947, 89-1208(2); amd. Sec. 2, Ch. 326, L. 1979.**

**Cross-References**

Proscribed acts related to contracts — public employees, Title 2, ch. 2, part 2.

Misdemeanor — when no penalty specified, 46-18-212.

Proceedings subsequent to presenting petition, 85-7-1833.

**85-7-1508. Compensation and duties of secretary.** The member of the board acting as secretary or any person appointed by the board as secretary for the district shall receive such compensation for his services as may be allowed by the board. It shall be the duty of the secretary to keep the books and records of accounts, contracts, securities, and other records; to perform his duties promptly each month; and to make a monthly reconcilement of his accounts with the county treasurer. It shall be the duty of the county treasurer to make a monthly report to the secretary of all receipts, disbursements, and balances. A failure by the secretary to comply with the provisions of this section shall cause a forfeiture of his salary, and he shall be removed from office by the board.

**History:** **En. Sec. 2, Ch. 212, L. 1921; re-en. Sec. 7261, R.C.M. 1921; re-en. Sec. 7261, R.C.M. 1935; R.C.M. 1947, 89-2108.**

**Cross-References**

Duties of County Treasurer, 7-6-2111.

Conservation districts — receipt and crediting of funds — County Treasurer, 76-15-524.

## Part 16

## Joint Operations

**85-7-1601. Authority for joint operation of districts.** Whenever the board of commissioners of one or more irrigation districts, established and organized by virtue of the provisions of 85-7-101 through 85-7-103 shall, in their discretion, deem it advisable for the best interests of their district to operate, manage, supervise, and maintain the operation of their district jointly with another irrigation district, the said commissioners are hereby authorized and empowered to enter into written contracts for the creation of a joint board of control. Where irrigation works lie partly in the state of Montana and partly in an adjacent state, the board of commissioners may contract with the district or districts in the adjacent state for the creation of a joint board of control.

**History:** **En. Sec. 1, Ch. 179, L. 1959; R.C.M. 1947, 89-1209.**

**Cross-References**

What contracts must be in writing, 28-2-903.

Negotiations with other states by the Department, 85-1-223.

**85-7-1602. Election on joint operations.** At any time after March 7, 1959, in the event that it is deemed advisable or desirable for any irrigation districts to operate under the direction of a board of control as herein provided, the boards of commissioners of the districts, after petition requesting the same be received and filed with them, must call an election to put the question before the landowners of the districts which are petitioned to be joined. In the event a majority of the landowners of each district, as provided by 85-7-1710, vote for organizing such board of control, then the commissioners of each district will be authorized and directed to enter into such contract to operate the districts in accordance with the terms of this part as provided by 85-7-1601. The election herein provided shall be conducted in the same manner and the same persons shall be entitled to vote thereat as provided for elections of commissioners of irrigation districts, in accordance with 85-7-1702, 85-7-1710, and 85-7-1712.

**History:** **En. Sec. 10, Ch. 179, L. 1959; R.C.M. 1947, 89-1218(part); amd. Sec. 399, Ch. 571, L. 1979.**

**Cross-References**

What contracts must be in writing, 28-2-903.

**85-7-1603. Withdrawal from joint operation.** Any district having entered into a written contract, as provided by this part, may withdraw from such contract upon submitting to the board of control, in writing, a 90-day notice of withdrawal, except that if revenue bonds have been issued by the board of control under part 14 of this chapter, the district may not withdraw from such contract until such bonds are canceled or redeemed.

**History:** **En. Sec. 11, Ch. 179, L. 1959; R.C.M. 1947, 89-1219; amd. Sec. 21, Ch. 193, L. 1987.**

**Cross-References**

Written contracts, Title 28, ch. 2, part 9.

**85-7-1604. Validity of joint operations under earlier agreements.** Any contract previously entered into between any two or more irrigation districts or between any such irrigation districts and the United States bureau of reclamation which meets the requirements of this part and which creates a board of control meeting all the requirements of this part is hereby declared to be a valid contract and to create a valid board of control under this part.

**History:** **En. Sec. 10, Ch. 179, L. 1959; R.C.M. 1947, 89-1218(part).**

**Cross-References**

Essential characteristics of object — contracts, 28-2-602.

**85-7-1605. Purpose.** This part is not intended to conflict in any way with statutes governing irrigation districts but is for the sole purpose of making it possible for one or more irrigation districts to function jointly through a central control agency for the purpose of efficiency, simplicity, and economy.

**History:** **En. Sec. 12, Ch. 179, L. 1959; amd. Sec. 18, Ch. 460, L. 1977; R.C.M. 1947, 89-1220.**

**85-7-1606 through 85-7-1610 reserved.**

**85-7-1611. Board of control — composition and vacancies.** (1) The board of control shall be composed of one or more irrigation commissioners from each district involved, who shall be appointed by the board of commissioners of the district which he or they represent for a term of 1 year, and one member at large. The member at large shall be a landowner from one of the districts involved and shall be appointed by the commissioner members to serve for a period of 1 year and shall be required to give bond, the same as an irrigation district commissioner. The member at large shall not be an employee, agent, water commissioner, or servant of any of the districts involved. At no time shall the board membership be less than three members. Each member of the board of control and the manager, if hired, before entering upon his duties shall give a bond to the board of control in the amount of $5,000, conditioned upon the faithful performance of his duties.

(2) Vacancies occurring during the term in the position of commissioner member shall be filled for the remainder of the unexpired term by appointment of the board of commissioners of the district involved. Vacancies occurring in the position of member at large shall be filled for the remainder of the unexpired term in the same manner as the original appointment.

**History:** **En. Sec. 2, Ch. 179, L. 1959; R.C.M. 1947, 89-1210.**

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**85-7-1612. Board of control — powers and duties.** (1) The board of control established by this part is the operating agent of the contracting districts for the operation and maintenance of irrigation and/or drainage works and the delivery of water therefrom.

(2) The board shall make and execute all necessary contracts; employ and appoint such agents, officers, and employees as may be required; and prescribe their duties.

(3) The board may institute and maintain any and all actions and proceedings and suits at law or in equity, necessary or proper in order to fully carry out the provisions of this chapter or to enforce, maintain, protect, or preserve any and all rights, privileges, and immunities created by this part or acquired in pursuance thereof. In all courts, suits, or proceedings, the board may sue, appear, and defend in person or by its attorneys and in the name of such board of control.

(4) The board may adopt rules and bylaws governing the calling and holding of meetings of the board; the manner of transacting business thereat; and the publishing or posting of the orders, resolutions, and proceedings of the board. The board shall pass or adopt bylaws and rules for the apportionment and distribution of water to the lands of the contracting districts and for the protection and preservation of the works and other property of the districts. All orders and resolutions shall be passed or adopted by a majority of the members of the board of control by a "yea" and "nay" vote, to be entered upon the records of the board.

(5) The board of control may perform all other acts necessary or appropriate to fully carry out the purposes of this part.

(6) The board of control may plan, acquire, construct, operate, maintain, lease, or finance an undertaking through the issuance of revenue bonds, as provided in part 14 of this chapter.

**History: En. Sec. 3, Ch. 179, L. 1959; R.C.M. 1947, 89-1211; amd. Sec. 3, Ch. 326, L. 1979; amd. Sec. 22, Ch. 193, L. 1987; amd. Sec. 79, Ch. 83, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (6), after "lease", substituted "or finance" for "and finance".

**Cross-References**

Definition of person, Rule 4A, M.R.Civ.P. (see Title 25, ch. 20).

Agency, Title 28, ch. 10.

Business corporations — bylaws — power in directors — contents, 35-1-214.

Drainage districts, Title 85, ch. 8.

**85-7-1613. Board of control — per diem and expenses.** The members of the board of control, when sitting as a board or when engaged in the business of the board, are entitled to compensation of $25 for each day they are actually and necessarily engaged in the performance of irrigation district duties and to reimbursement for travel expenses as provided in 2-18-501 through 2-18-503, and for their necessary expenses.

**History: En. Sec. 4, Ch. 179, L. 1959; R.C.M. 1947, 89-1212; amd. Sec. 4, Ch. 112, L. 1981; amd. Sec. 6, Ch. 672, L. 1983.**

**Cross-References**

Public employees — travel, meals, and lodging, Title 2, ch. 18, part 5.

**85-7-1614. Board of control — office and records.** The board of control is hereby authorized and empowered to establish an office in one of the contracting districts; to hold its proceedings therein; and to keep on file all necessary petitions, papers, minutes, documents, or other instruments belonging to the board of control and the contracting districts.

**History:** **En. Sec. 5, Ch. 179, L. 1959; R.C.M. 1947, 89-1213.**

**Cross-References**

Business corporations — registered office and registered agent, 35-1-305.

**85-7-1615. Manager of operations.** The board of control shall have the power to hire a manager to supervise and conduct the operations of the district or districts over which it presides or to hire a manager for each district under its supervision, whichever it deems advisable in the premises. The manager or managers shall perform all duties as set out for him or them by the board of control.

**History:** **En. Sec. 6, Ch. 179, L. 1959; R.C.M. 1947, 89-1214.**

**85-7-1616. Required records.** (1) It shall be the duty of the board of control to keep or cause to be kept, in the form prescribed by the department of commerce, a full and complete book and record of the accounts, records, contracts, securities, minutes of meetings, and other matters of every kind pertaining to or belonging to the joint operation of the irrigation districts.

(2) It is hereby made the duty of the department of commerce to prescribe such forms for the use of the board of control and to examine the same as provided by law for the examination of the affairs of county offices.

**History:** **En. Sec. 7, Ch. 179, L. 1959; amd. Sec. 165, Ch. 253, L. 1974; amd. Sec. 51, Ch. 213, L. 1975; R.C.M. 1947, 89-1215; amd. Sec. 7, Ch. 274, L. 1981; amd. Sec. 1, Ch. 287, L. 1983.**

**Cross-References**

Department of Commerce — reports and audits, Title 2, ch. 7.

**85-7-1617. Apportionment of costs of joint operation.** The districts entering into a contract for their joint control shall pay to the board of control, proportionately on an acreage basis the necessary costs, expenses, and charges for the general administration, maintenance, and repairs.

**History:** **En. Sec. 8, Ch. 179, L. 1959; R.C.M. 1947, 89-1216.**

**Cross-References**

Financial aspects of conservation districts, Title 76, ch. 15, part 5.

Drainage districts — taxes and assessments, Title 85, ch. 8, part 6.

Conservancy districts — finance, Title 85, ch. 9, part 6.

**85-7-1618. Custody and disbursement of funds.** The county treasurer of the county wherein the office of the board is established shall be the custodian of all funds made available for the use of the board, and he shall pay out such funds upon the order of the board. Such orders shall be signed by the secretary or treasurer of the board of control and countersigned by the president or, in his absence, by the vice-president of the board of control. The board funds shall be kept separate and distinct from all other county funds. The county treasurer to whom board funds are entrusted shall be liable on his bond for the safekeeping of said funds.

**History:** **En. Sec. 9, Ch. 179, L. 1959; R.C.M. 1947, 89-1217.**

**Cross-References**
Duties of County Treasurer, 7-6-2111.

## Part 17

## Elections

**Part Cross-References**
Elections, Title 13.
Business corporations — directors and officers, Title 35, ch. 1, part 4.
Conservation districts — general election, 76-15-303.
Conservation districts — election of supervisors, 76-15-304.
Drainage districts — election of Commissioners, 85-8-302.
Conservancy districts — election, 85-9-206.

**85-7-1701. Repealed.** Sec. 407, Ch. 571, L. 1979.

**History: En. Sec. 10, Ch. 146, L. 1909; re-en. Sec. 7175, R.C.M. 1921; re-en. Sec. 7175, R.C.M. 1935; R.C.M. 1947, 89-1302.**

**85-7-1702. Regular election — term of office.** (1) Candidates for the office of commissioner may be nominated by petition filed with the election administrator or deputy election administrator at least 75 days before the election and signed by at least five electors of the district. If no nominations are made, the electors of the district shall write on the ballots the name or names of the persons for whom they desire to vote.

(2) The regular election for commissioners in each district shall be held annually in accordance with 13-1-104 and 13-1-401.

(3) Within 40 days following their election the commissioners shall meet and organize as a board by electing a president from their number and a secretary, who may or may not be a commissioner, and who shall each hold office during the pleasure of the board. The term of office of each commissioner shall begin on the date of the organizational meeting after the regular election and shall continue for 3 years and until the election and qualification of his successor.

(4) Commissioners are elected by the electors of the entire district.

**History: En. Sec. 11, Ch. 146, L. 1909; amd. Sec. 4, Ch. 153, L. 1917; amd. Sec. 1, Ch. 3, L. 1921; amd. Sec. 1, Ch. 7, Ex. L. 1921; re-en. Sec. 7176, R.C.M. 1921; re-en. Sec. 7176, R.C.M. 1935; amd. Sec. 1, Ch. 302, L. 1977; R.C.M. 1947, 89-1303(part); amd. Sec. 370, Ch. 571, L. 1979; amd. Sec. 9, Ch. 27, L. 1981; amd. Sec. 40, Ch. 250, L. 1985.**

**Cross-References**
Business corporations — number, election, and term of directors, 35-1-402.
Conservation districts — election of supervisors, 76-15-304.
Election on joint operations, 85-7-1602.
Drainage districts — election of Commissioners, 85-8-302.

**85-7-1703. Vacancies among commissioners.** In case of a vacancy in the board of commissioners, from any cause, the vacancy must be filled until the next regular or special election by appointment by the board. The remaining commissioners shall constitute a quorum for the purpose of filling any vacancy. If a vacancy exists for every position on the board, the judge of the district court of the county in which the division or major portion of the division is situated shall make the appointments. The appointee must be an owner of irrigable land within the division of the district he represents and must be a resident of the county in which the division of the district or some portion of the division is situated. A commissioner appointed under this section shall hold office until his successor is elected and qualified.

**History: En. Sec. 12, Ch. 146, L. 1909; re-en. Sec. 7177, R.C.M. 1921; amd. Sec. 5, Ch. 157, L. 1923; re-en. Sec. 7177, R.C.M. 1935; R.C.M. 1947, 89-1304; amd. Sec. 5, Ch. 112, L. 1981; amd. Sec. 2, Ch. 584, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of first sentence substituted "by appointment by the board" for "by appointment by the judge of the district court of the county in which the division or major portion thereof is situated"; inserted second sentence relating to a quorum for filling a vacancy; in third sentence, at beginning, inserted clause relating to a vacancy for every position and at end, after "situated", inserted "shall make the appointments"; substituted fourth sentence relating to ownership requirements of irrigable land and residency for "The appointee shall be an owner of land within the district, shall be a resident of the county in which the division of the district (or some portion of the division for which such commissioner is so elected) is situated, and"; at beginning of last sentence inserted "A commissioner appointed under this section"; and made minor changes in phraseology.

**Cross-References**

Residence — rules for determining, 1-1-215.

District Courts, Title 3, ch. 5.

Business corporations — vacancies and removal of directors, 35-1-408.

Drainage districts — vacancies, 85-8-307.

Conservancy districts — vacancies, 85-9-401.

**85-7-1704 through 85-7-1709. Repealed.** Sec. 407, Ch. 571, L. 1979.

**Compiler's Comments**

*Histories of Repealed Sections:*

**85-7-1704 and 85-7-1705.** En. Secs. 13, 14, Ch. 146, L. 1909; re-en. Secs. 7178, 7179, R.C.M. 1921; re-en. Secs. 7178, 7179, R.C.M. 1935; R.C.M. 1947, 89-1305, 89-1306.

**85-7-1706.** En. Sec. 15, Ch. 146, L. 1909; re-en. Sec. 7180, R.C.M. 1921; re-en. Sec. 7180, R.C.M. 1935; amd. Sec. 1, Ch. 164, L. 1947; R.C.M. 1947, 89-1307.

**85-7-1707 through 85-7-1709.** En. Secs. 16 thru 18, Ch. 146, L. 1909; re-en. Secs. 7181 thru 7183, R.C.M. 1921; re-en. Secs. 7181 thru 7183, R.C.M. 1947, 89-1308 thru 89-1310.

**85-7-1710. Qualification of electors and nature of voting rights.** (1) At all elections held under the provisions of this part, except as otherwise expressly provided, the following holders of title or evidence of title to irrigable lands within the district, herein designated "electors", are entitled to vote:

(a) all individuals having the qualifications of electors under the constitution and general election laws of the state, except that no registration of electors may be required;

(b) guardians, executors, administrators, and trustees;

(c) domestic corporations, by their duly authorized agents.

(2) In all elections held under this part, each elector is permitted to cast one vote for each 40 acres of irrigable land or major fraction thereof owned by the elector within the district, irrespective of the location of the irrigable lands within the tracts designated by the commissioners for assessment and taxation purposes or within congressional subdivisions, platted lots or blocks (except as hereinafter provided for), election precincts, or district divisions, but any elector owning any less than 40 acres of irrigable land is entitled to one vote. Until the irrigable area under the proposed plan of reclamation is determined, all land included within the boundaries of the district must be considered irrigable land for election purposes.

(3) Whenever land is owned by co-owners, the owners may designate one of their number or an agent to cast the vote for the owners, and one vote only for each 40 acres of irrigable land or major fraction thereof may be cast by the voting co-owner or agent. Whenever land is under contract of sale to a purchaser residing within the state, the purchaser may vote on behalf of the

owner of the land. When voting, the agent of a corporation or co-owners, the co-owner designated for purpose of voting, or the purchaser of land under contract of sale, as the case may be, shall file with the secretary of the district or with the election officials a written instrument of his authority, executed and acknowledged by the proper officers of the corporation, by the co-owners, or by the owner of land under contract of sale, as the case may be, and thereupon the agent or co-owner or purchaser, as the case may be, is an elector within the meaning of this part. Whenever the total irrigable acreage within any one district has been platted or subdivided into lots or blocks to the extent of 5% or more of the total acreage of the district or whenever the majority of the district board adopts a resolution allowing it, each elector is permitted to cast one vote for each acre of irrigable land or major fraction of an acre of irrigable land owned by the elector within the district, irrespective of the location of such irrigable lands within the tracts designated by the commissioners for assessment and taxation purposes or within the congressional subdivisions, but any elector owning any less than 1 acre of irrigable land within the district is entitled to one vote.

(4) The board of commissioners shall choose one of the following methods of balloting:

(a) 10 votes or less, separate ballots will be used; more than 10 votes, the elector shall vote in blocks of 10 using one ballot for each 10 votes and separate ballots for odd votes over multiples of 10; or

(b) the elector shall submit a ballot that includes the number of acres owned and the number of votes being cast.

**History: En. Sec. 19, Ch. 146, L. 1909; re-en. Sec. 7184, R.C.M. 1921; amd. Sec. 6, Ch. 157, L. 1923; re-en. Sec. 7184, R.C.M. 1935; amd. Sec. 1, Ch. 164, L. 1953; amd. Sec. 19, Ch. 460, L. 1977; R.C.M. 1947, 89-1311; amd. Sec. 371, Ch. 571, L. 1979; amd. Sec. 10, Ch. 27, L. 1981; amd. Sec. 1, Ch. 261, L. 1983; amd. Sec. 3, Ch. 584, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), before "lands", inserted "irrigable"; at beginning of (4) substituted "The board of commissioners shall choose one of the following methods of balloting" for "The balloting shall take place in the following manner"; inserted (4)(b) relating to a ballot that includes number of acres owned and number of votes being cast; and made minor changes in form and phraseology.

**Cross-References**

Qualified elector, Art. IV, sec. 2, Mont. Const.

Qualifications of voter, 13-1-111.

School elections — qualifications of elector, 20-20-301.

Agency, Title 28, ch. 10.

Business corporations — general powers — registered agent, 35-1-108, 35-1-305.

Property — ownership by several persons — types, 70-1-306.

Joint interest defined, 70-1-307.

Powers and duties of guardian of minor, 72-5-231.

Powers and duties of guardian of incapacitated person, 72-5-321.

Powers of conservator in administration, 72-5-427.

Public Administrator — powers and duties in administration, Title 72, ch. 15, part 2.

Powers of trustees, Title 72, ch. 34, part 3.

**85-7-1711. Repealed.** Sec. 407, Ch. 571, L. 1979.

**History: En. Sec. 20, Ch. 146, L. 1909; re-en. Sec. 7185, R.C.M. 1921; re-en. Sec. 7185, R.C.M. 1935; R.C.M. 1947, 89-1312.**

**85-7-1712. Special elections.** The board of commissioners may at any time call a special election and submit to the qualified electors of the district any question which under the provisions of this chapter is required or which, in the judgment of the board, is proper to be submitted to popular vote. Such election shall be called, noticed, and conducted and the result thereof determined and declared in the manner provided in Title 13.

**History:** **En. Sec. 21, Ch. 146, L. 1909; re-en. Sec. 7186, R.C.M. 1921; re-en. Sec. 7186, R.C.M. 1935; R.C.M. 1947, 89-1313; amd. Sec. 372, Ch. 571, L. 1979.**

**Cross-References**

Election on joint operations, 85-7-1602.

**85-7-1713. Where documents to be filed and proceedings to be held.** Where the lands of a district lie within more than one county, all petitions, papers, documents, or other instruments shall be filed and proceedings had in the county in which the office of the board is established.

**History:** **En. Sec. 22, Ch. 146, L. 1909; re-en. Sec. 7187, R.C.M. 1921; re-en. Sec. 7187, R.C.M. 1935; R.C.M. 1947, 89-1314; amd. Sec. 6, Ch. 112, L. 1981.**

## Part 18

## Alteration and Determination of District Acreage

**Part Cross-References**

Alteration and termination of conservation districts, Title 76, ch. 15, part 8.

Drainage districts — alteration of districts, Title 85, ch. 8, part 4.

Conservancy districts — alteration of districts, Title 85, ch. 9, part 5.

**85-7-1801. Change in boundaries.** The boundaries of any irrigation district organized hereunder may be changed in the manner herein prescribed. Such change of the boundaries of the district shall not impair or affect its organization or its rights in or to property or any of its rights or privileges of whatsoever kind or nature, nor shall it affect, impair, or discharge any contract, obligation, lien, or charge for or upon which it was or might become liable or chargeable had such change of its boundaries not been made.

**History:** **En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

Ex post facto, obligation of contracts, and irrevocable privileges, Art. II, sec. 31, Mont. Const.

**85-7-1802. Elimination of lands from district.** Whenever lands have been included within the boundaries of an established and organized irrigation district, which from their location or conformation cannot be successfully irrigated by the irrigation works or system already constructed or proposed to be constructed or the cost of irrigating the same will become burdensome upon the landowners of the district, a majority in number of the holders of title or evidence of title to the land included in such district (such holders of title or evidence of title also representing a majority in acreage of said lands) may petition the district court of the county in which the lands of the district or the greater portion thereof are situated for an order or decree changing the boundaries of the district by the elimination therefrom of such lands.

**History:** **En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

**85-7-1803. Requirements for petition to eliminate lands.** (1) The petition for this purpose must be signed by the required number of holders of title or evidence of title to lands within such district, as hereinbefore specified, and the same shall be filed with the clerk of the district court as herein designated.

(2) Such petition shall set forth:

(a) the name of the district;

(b) a general description of the lands to be eliminated or excluded from the district;

(c) the names of the holders of title or evidence of title to the lands sought to be excluded; the names of the holders of title or evidence of title to the remainder of the lands of said district, ascertained in the manner mentioned in 85-7-101 and 85-7-102; and if any holder of title is a nonresident of the county or counties in which the district lies, the post-office address of such nonresident owners, if known;

(d) a brief description of the character of the works, water rights, canals, and other property acquired or proposed to be acquired or constructed for irrigation purposes in the district;

(e) a brief statement of the reasons why the lands sought to be excluded should be eliminated from the district;

(f) a prayer for the exclusion of the lands sought to be eliminated therefrom.

(3) The petition shall be accompanied by a map or plat of the district, showing thereon the lands sought to be eliminated therefrom, and a good and sufficient bond or undertaking to be approved by the district court or judge thereof of the county in which the petition is required to be filed under the provisions hereof, to pay all costs in and about the proceedings and the hearing thereof in the event that said petition is denied.

**History: En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

General duties — Clerk of the District Court, 3-5-501.

Guaranty — general provisions, Title 28, ch. 11, part 1.

**85-7-1804. Minor errors.** Mere error or omission in the description of any lands or in the names of any of the holders of title or evidence of title to lands shall not operate to render invalid any proceedings hereunder or to deprive the district court of jurisdiction of the subject matter.

**History: En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

**85-7-1805. Notice requirements.** On such petition being filed, the district court or judge thereof shall make an order fixing the time and place of hearing on the petition and directing that notice thereof be given. Thereupon the clerk of said court shall cause to be published at least once a week for 2 successive calendar weeks, in some newspaper published in the county where the petition is filed, a notice stating the time and place fixed by the district court when and where the hearing on said petition will be had and containing a brief statement of the matters set forth in said petition and the object thereof. If any portion of the lands sought to be excluded from the district lie within any other county or counties, then said notice shall be published as provided above in a newspaper published in each such other county. The first publication of said notice shall be not less than 30 days prior to the time mentioned in said notice for said hearing. If any holder of title or evidence of title to lands sought to be excluded from the district is a nonresident of the county or counties in which the district lies, the clerk of said court shall, within 3 days after the first publication aforesaid, mail a copy of said notice to each such nonresident whose post-office address is stated in said petition. The certificate of the clerk of the district court, under the seal of the court, as to the facts of the publishing and mailing of said notice affixed to a copy thereof shall be sufficient evidence of such facts.

**History: En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Publication of legal notices, Title 18, ch. 7, part 2.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Service and filing of pleadings and other papers, Rule 5, M.R.Civ.P. (see Title 25, ch. 20).

**85-7-1806. Court hearing on petition to eliminate lands.** (1) At the time specified in the notice, the district court in which the petition is filed shall hear the petition but may adjourn such meeting from time to time, not exceeding 2 weeks in all, and may continue the hearing for the want of sufficient notice or other good cause. The court upon application of the petitioners shall permit the petition to be amended and may order further or additional notice to be given. Upon such hearing, all persons interested whose lands or rights may be damaged or benefited by the granting of the petition or the exclusion of the lands from the district may appear and contest the necessity or justice of the court's making an order granting such petition in whole or in part, and the contestants and petitioners may offer any competent evidence in regard thereto.

(2) It shall be the duty of the court to hear and determine whether the requirements as herein set forth have been complied with, and for that purpose shall hear all competent and relevant testimony that may be offered.

**History: En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Relevancy and its limits, Art. IV, Montana Rules of Evidence (see Title 26, ch. 10).

**85-7-1807. Court findings and order on petition to eliminate lands.** The court may grant such petition in whole or in part and may make an order making such changes in the boundaries of the district by the exclusion of such lands therefrom as may be deemed advisable or as fact, right, and justice may require. Such order shall be conclusive upon all of the owners of lands within the district and shall be final unless appealed from to the supreme court within 60 days of the entry of said order. For the purposes of any such appeal, such order shall be regarded as a final judgment of said district court. A copy of such order, duly certified to by the clerk of said court, shall be filed for record within 30 days after such order is made and entered with the county clerk and recorder of the county wherein lands included within such district are situated; provided, however, there shall be omitted from such copy lands not situated in the county in which such copy is filed.

**History: En. Sec. 23, Ch. 146, L. 1909; amd. Sec. 1, Ch. 98, L. 1919; re-en. Sec. 7188, R.C.M. 1921; re-en. Sec. 7188, R.C.M. 1935; R.C.M. 1947, 89-1401(part).**

**Cross-References**

Supreme Court jurisdiction, Title 3, ch. 2, part 2.

District Court jurisdiction, Title 3, ch. 5, part 3.

General duties — Clerk of the District Court, 3-5-501.

Appeals from judgment and orders of District Courts, Art. II, M.R.App.P. (see Title 25, ch. 21).

**85-7-1808. Extension of boundaries and addition of lands.** The boundaries of any irrigation district may be extended at any time to include lands susceptible of irrigation by the works of the district or through exchange or substitution of water, as hereinafter provided, excluding and excepting therefrom all lands already under irrigation, lands having water rights appurtenant thereto, or lands that can be irrigated from sources more feasible than the district system, unless the owner of such lands shall consent in writing to have such lands included in said district; provided, however, that a petition be presented to the district court of the judicial district in which the irrigation district was organized, asking for such extension, upon terms to be fixed by the court, signed by the holders of title or evidence of title (evidenced as provided in 85-7-101 and 85-7-102) of the lands proposed to be included in the district, representing not less than two-thirds in acreage of said lands.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7189, R.C.M. 1921; re-en. Sec. 7189, R.C.M. 1935; R.C.M. 1947, 89-1402(1).**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Lands under irrigation — inclusion in district, 85-7-1934.

Added lands to pay proportional share of bonded indebtedness, 85-7-2102.

Confirmation of Board actions by District Court, 85-7-2112.

**85-7-1809. Notice of hearing for addition of lands.** When such petition is presented, the district court or judge thereof shall appoint a day for a public hearing. Notice of the hearing shall be given by the clerk of the court by publication at least once a week for at least 2 weeks in a newspaper published or of general circulation in the county in which the office of the district is situated. If any of said lands sought to be included in the district lie in a county or counties other than that in which the office of the district is situated, such notice shall also be likewise published in some newspaper published or of general circulation in each such other county or counties. If there be no such newspaper, then such notice shall be posted in at least three public places in the territory sought to be included.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7189, R.C.M. 1921; re-en. Sec. 7189, R.C.M. 1935; R.C.M. 1947, 89-1402(2).**

**Cross-References**

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-1810. Hearing and order on petition for addition of lands.** At such public hearing, the district court shall hear those who may desire changes made in the proposed extension, all those whose lands are included or sought to be included in the district, and all other persons whose rights may be affected by the proposed extension. Such public hearing may be adjourned from day to day, not exceeding 20 days in all, and the court shall make an order either granting or denying said petition. If said petition is granted, said order shall describe the lands included in said extension and the terms on which said land shall be included, and a copy of said order shall be filed with the county clerk and recorder in the county wherein said lands are situated. The order of the district court shall be final and conclusive, the same as the order originally creating the district, unless appealed from to the supreme court within 10 days from the entry of the order. The extension of such boundaries shall not deprive the lands already in said district of an adequate supply of water for irrigation purposes.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7189, R.C.M. 1921; re-en. Sec. 7189, R.C.M. 1935; R.C.M. 1947, 89-1402(3).**

**Cross-References**

Supreme Court jurisdiction, Title 3, ch. 2, part 2.

District Court jurisdiction, Title 3, ch. 5, part 3.

Role and duties of County Clerk, 7-4-2611.

Appeals from judgment and orders of District Courts, Art. II, M.R.App.P. (see Title 25, ch. 21).

**85-7-1811. Procedure to correct errors and omissions in orders or decrees.** (1) The district court shall retain jurisdiction of any petition presented to establish an irrigation district or to enlarge and increase its boundaries or to exclude land therefrom for the purpose of correcting any omissions, defects, or errors in the proceedings of said court. The court shall have power to correct and, if necessary, to amend the order of the district court establishing the district, any order extending the boundaries thereof, or any order excluding lands therefrom, including the description of lands included or intended to be included in the district or excluded therefrom or intended to be excluded, the boundaries of the divisions into which it is divided, and any other matter which shall be before the court on the application to create the district, to enlarge or extend its boundaries, or to exclude lands therefrom. The court shall have and is hereby granted power and authority on application of the board of commissioners of the district to correct and amend the terms of any order or judgment of said court so that the same shall conform to the provisions of the statute under the authority of which such order was made. The board of commissioners of any district may adopt a resolution directing its president and secretary to prepare, execute, and file with the clerk of the district court a petition which shall set forth the following matters:

(a) the name of the district and a reference to the order in which the defect, error or omission, errors in description of lands included or excluded, or departure from the statute occurred;

(b) a statement of the defects, errors, omissions, irregularities, errors in description of lands included or excluded, or variance from the statutory requirements;

(c) a prayer for an order correcting said defects, errors, omissions, or irregularities.

(2) If the error, defect, omission, irregularity, or variance is in the description of any land or lands embraced in the district, the petition shall set forth

the correct description of said lands, the names of the holders of title or evidence of title thereto, ascertained in the manner provided in 85-7-101 and 85-7-102, and if any holder is a nonresident of the county or counties in which the district lies, the post-office address of such nonresident owner, if known. Upon the filing of said petition, the court shall direct notice of the hearing thereof to be given in such manner as shall be deemed necessary to protect the rights and interests of the parties and, after a hearing of any parties intervening, shall enter an order correcting the defects, errors, omissions, or irregularities. If the defects, errors, omissions, or irregularities are in the description of the lands embraced in the district, the district court or judge shall direct the clerk of said court to publish, at least once a week for 2 successive calendar weeks, in some newspaper published in said county where said petition is filed, a copy of said petition, together with a notice stating the time and place fixed by said district court when and where a hearing on said petition will be had, and, if any portion of the lands within said district lies within any other county or counties, said petition and notice shall be published as provided above in a newspaper published in each such other county. If there be no newspaper published in such county, such petition and notice may be published in an adjoining county. The first publication of said petition and notice shall be not less than 30 days prior to the time mentioned in said notice for said hearing. If any holder of title or evidence of title to lands within the district is a nonresident of the county or counties in which the district lies, the clerk of said court shall, within 3 days after the first publication aforesaid, mail a copy of said petition and notice to each such nonresident whose post-office address is stated in said petition. The certificate of the clerk of the district court, under the seal of the court, as to the facts of the publishing and mailing of said petition and notice, affixed to a copy of said notice, shall be sufficient evidence of such facts.

(3) At the time specified in the notice the district court in which the petition aforesaid is filed shall hear the petition but may adjourn such hearing from time to time and may continue the hearing for want of sufficient notice or other good cause. The court, upon application of the petitioners or any person or persons interested, shall permit the petition to be amended and may order further or additional notice to be given. Upon such hearing, all persons interested may appear and contest the application for the order prayed for in the petition, and the contestants and petitioners may offer any competent evidence pertinent to the prayer of the petition.

(4) The court may make such changes in the description of the lands embraced within the limits of the district as may be deemed advisable or as fact, right, and justice may require but shall not exclude from the district any lands described as a part of said district in the order creating it after the district has issued bonds or entered into a contract with the United States under 85-7-1906. However, such lands may be excluded from a district which has entered into a contract with the United States under said section, provided the secretary of the interior shall give his consent to such exclusion.

(5) If, on final hearing, it is found by the court that the petition does not substantially comply with the foregoing requirements of this section or that the facts therein stated are not sustained by the evidence, then the court shall dismiss the petition at the cost of the petitioners and shall make and enter an order to that effect. If it is found that said petition substantially complies

with said requirements and that the facts therein stated are sustained by the evidence, the court shall make and enter an order in accordance with the prayers of the petition.

(6) All orders and findings of the district court made under the provisions of this section shall be conclusive upon all owners of lands within the district and shall be final unless appealed from to the supreme court within 60 days from the date of entry of such order. A copy of such order, duly certified to by the clerk of said court, shall be filed for record within 30 days after such order is made and entered with the county clerk and recorder of the county wherein the lands included within such district are situated. There shall be omitted from such copy lands not situated in the county in which such copy is filed.

**History: En. Sec. 1, Ch. 54, L. 1923; re-en. Sec. 7189.1, R.C.M. 1935; amd. Sec. 1, Ch. 13, L. 1937; R.C.M. 1947, 89-1403.**

**Cross-References**

Supreme Court jurisdiction, Title 3, ch. 2, part 2.

District Court jurisdiction, Title 3, ch. 5, part 3.

General duties — Clerk of the District Court, 3-5-501.

Role and duties of County Clerk, 7-4-2611.

Publication of legal notices, Title 18, ch. 7, part 2.

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

Corner Recordation Act of Montana — surveys and coordinates, Title 70, ch. 22.

Confirmation of Board actions by District Court, 85-7-2112.

Effect of federal involvement, 85-7-2113.

### 85-7-1812 through 85-7-1820 reserved.

**85-7-1821. Change of boundaries of irrigation districts indebted to United States.** The boundaries of any irrigation district established and organized under the laws of the state of Montana and indebted to the United States for money loaned said district may be changed in the manner hereinafter prescribed. Such change in boundaries of said district shall not impair or affect its organization or its rights in or to property or any of its rights or privileges of whatsoever kind or nature.

**History: En. Sec. 1, Ch. 132, L. 1935; re-en. Sec. 7194.1, R.C.M. 1935; R.C.M. 1947, 89-1409.**

**Cross-References**

No impairment of contracts, Art. II, sec. 31, Mont. Const.

Effect of federal involvement, 85-7-2113.

**85-7-1822. Petition to exclude lands.** (1) Whenever lands have been included within the boundaries of any irrigation district of the character designated in 85-7-1821 which from their location or conformation cannot be successfully irrigated by the irrigation works or system constructed for that purpose or when the cost of irrigating the same has or will become burdensome upon the landowners of the district, the owners of said lands, with the consent of the board of commissioners of said district and the secretary of interior of the United States or such other federal authority, instrumentality, or agency as may be appropriate, may petition the district court of the county in which such lands are situated for an order or decree changing the boundaries of the district by the elimination therefrom of such lands. The petition for this purpose must be signed by the owners of the land sought to be excluded and accompanied with the written consent of the board of commissioners of the district and the secretary of the interior of the United States or such other federal authority, instrumentality, or agency as may be appropriate. Such petition shall set forth:

(a) the name of the district;

(b) a particular description of the land sought to be excluded or eliminated from the district;

(c) the names of the holders of title to the lands sought to be excluded;

(d) a brief description of the character of works, water rights, canals, or works owned and acquired by the district;

(e) a statement of the reasons why the lands sought to be excluded should be eliminated from the district;

(f) a prayer for the exclusion of the lands sought to be eliminated therefrom.

(2) The petition shall be accompanied with a map or plat of the district, showing thereon the lands sought to be eliminated therefrom, and a good and sufficient bond or undertaking to be approved by the district court or judge thereof of the county in which the petition is required to be filed under the provisions hereof, to pay all costs in and about the proceedings and hearing thereof in the event that said petition is denied.

**History: En. Sec. 2, Ch. 132, L. 1935; re-en. Sec. 7194.2, R.C.M. 1935; R.C.M. 1947, 89-1410.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Corner Recordation Act of Montana — surveys and coordinates, Title 70, ch. 22.

Effect of federal involvement, 85-7-2113.

**85-7-1823. Notice of hearing.** On such petition being filed, the district court or judge thereof shall make an order fixing the time and place for a hearing and directing that notice be given. Thereupon the clerk of the court shall cause to be published at least once a week for 2 successive calendar weeks in a newspaper of general circulation in the county where the petition is filed, with preference given to a newspaper published in the county, a notice stating the time and place fixed by the district court when and where the hearing on the petition will be had and containing a brief statement of the matters set forth in the petition and the object thereof. If any portion of the lands sought to be excluded from the district lies within any other county or counties, the notice shall also be published as provided above in a newspaper of general circulation in the other county or counties, with preference given to a newspaper published in the other county or counties. The first publication of the notice may not be less than 30 days prior to the time mentioned in the notice for the hearing.

**History: En. Sec. 3, Ch. 132, L. 1935; re-en. Sec. 7194.3, R.C.M. 1935; amd. Sec. 23, Ch. 460, L. 1977; R.C.M. 1947, 89-1411.**

**Cross-References**

General duties — Clerk of the District Court, 3-5-501.

Publication of legal notices, Title 18, ch. 7, part 2.

**85-7-1824. Conduct of hearing.** At the time specified in the notice, the district court in which the petition is filed shall hear the petition but may adjourn such hearing from time to time not exceeding 2 weeks in all. The court, upon application of the petitioners, shall permit the petition to be amended and may order further or additional notice to be given. Upon such hearing, all persons interested whose lands or rights may be damaged or benefited by the granting of the petition or the exclusion of the lands from the district may appear and contest the same, and the contestants and petitioners may offer any competent evidence in regard thereto.

**History:** **En. Sec. 4, Ch. 132, L. 1935; re-en. Sec. 7194.4, R.C.M. 1935; R.C.M. 1947, 89-1412.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

**85-7-1825. Court order and relief granted.** (1) The court may grant such petition in whole or in part and may make an order making such changes in the boundaries of the district by the exclusion of such lands therefrom as the court may deem advisable or as fact, right, and justice may require. Upon making such order excluding any lands from the district the lands so excluded shall not be liable for further assessments by the district authorities for any purpose and shall be without right to claim any interest in the water rights, canals, or other property of the district.

(2) Such order shall be conclusive upon all owners of lands within the district and shall be final unless appealed from to the supreme court within 60 days from the entry of said order. For the purpose of such appeal, such order shall be regarded as a final judgment of said district court. A copy of said order duly certified by the clerk of court shall be filed for record within 30 days after such order is made and entered with the county clerk and recorder of the county wherein lands included within such district are situated.

**History:** **En. Secs. 5, 6, Ch. 132, L. 1935; re-en. Secs. 7194.5, 7194.6, R.C.M. 1935; R.C.M. 1947, 89-1413, 89-1414.**

**Cross-References**

Supreme Court jurisdiction, Title 3, ch. 2, part 2.

Jurisdiction of judges coextensive with the state, 3-5-312.

**85-7-1826. Interpretation of provisions.** (1) Sections 85-7-1821 through 85-7-1826 are intended to supplement but not to repeal or to change in any way the procedure authorized by 85-7-1801 through 85-7-1807 in relation to changing the boundaries of irrigation districts.

(2) The term "owners" as used in 85-7-1821 through 85-7-1826 shall include any executor, administrator, trustee of an express trust, and the guardian of any ward.

**History:** **En. Secs. 7, 8, Ch. 132, L. 1935; re-en. Secs. 7194.7, 7194.8, R.C.M. 1935; R.C.M. 1947, 89-1415, 89-1416(part).**

**Cross-References**

Personal representative — duties and compensation, Title 72, ch. 3, part 6.

U.P.C. — persons under disability, guardianship, and conservatorship, Title 72, ch. 5.

Public Administrator, Title 72, ch. 15.

Trust administration, Title 72, ch. 34.

**85-7-1827 through 85-7-1830 reserved.**

**85-7-1831. Withdrawal of lands to organize separate or consolidated district for cooperation with federal projects — petition.** (1) Whenever the holders of title or evidence of title to a part of the lands of an irrigation district organized and existing under the provisions of 85-7-101 through 85-7-103, which lands lie within and are served by an irrigation and/or drainage project constructed, operated, and maintained by the United States, desire a separation of said lands from said irrigation district for the purpose of forming a new district or combining with another existing district in order to cooperate with the United States as provided in 85-7-101 through 85-7-103, said separation, organization of a new district or combination with another existing district may be effected by petitioning the district court of the county in which the lands of the district or the greater portion thereof are situated for an order or decree changing the boundaries of the district by the elimination therefrom of such lands and their incorporation in another existing district or in a new and separate district.

(2) Such changes shall not otherwise impair or affect the organization of the district now including said lands or its rights in or to property or any of its rights or privileges of whatsoever kind or nature, nor shall it affect, impair, or discharge any contract, obligation, lien, or charge for or upon which it was or might become liable or chargeable had such changes not been made.

**History: En. Sec. 1, Ch. 98, L. 1933; re-en. Sec. 7187.1, R.C.M. 1935; R.C.M. 1947, 89-1315.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Obligations in general, Title 28, ch. 1.

Object of a contract, Title 28, ch. 2, part 6.

Liens, Title 71, ch. 3.

Relations with United States, 85-7-1906.

**85-7-1832. Petition for withdrawal of lands.** The petition for this purpose must be signed by at least 75%, both in number and in acreage, of the holders of title or evidence of title (evidence as provided in 85-7-101 and 85-7-102) of the lands proposed to be eliminated from one district and incorporated in another existing district or in a new and separate district. Such petition must also bear the signature of the secretary of the interior of the United States, approving such proposed changes in district organization. Construction costs and other obligations due or to become due to the United States on account of the lands so separated and the participation of the owners thereof in contracts in effect between the original district and the United States or between the district to be extended by the addition of said lands and the United States shall be fixed and determined by said secretary of the interior.

**History: En. Sec. 2, Ch. 98, L. 1933; re-en. Sec. 7187.2, R.C.M. 1935; R.C.M. 1947, 89-1316.**

**Cross-References**

Relations with United States, 85-7-1906.

United States contracts — loans, sinking fund, and investment, 85-7-1951.

United States contracts — assessments, 85-7-1952.

United States contracts — court approval required, 85-7-1957.

Power to contract with United States cumulative, 85-7-1958.

**85-7-1833. Proceedings subsequent to presenting petition.** When said petition is duly presented to the district court, all further proceedings with reference to lands, the owners of which seek to form a new and separate district, shall be as prescribed in 85-7-101 through 85-7-103, 85-7-1504(1), 85-7-1505, and 85-7-1507, and all further proceedings with reference to lands, the owners of which desire that they be incorporated in another existing district, shall be as prescribed in 85-7-1809 and 85-7-1810, insofar as said provisions are not inconsistent with the purposes of 85-7-1831 through 85-7-1833.

**History: En. Sec. 3, Ch. 98, L. 1933; re-en. Sec. 7187.3, R.C.M. 1935; R.C.M. 1947, 89-1317.**

**85-7-1834 through 85-7-1840 reserved.**

**85-7-1841. Fixing of taxable acreage.** Whenever any lot, tract, or parcel of land has been heretofore or may hereafter be included within the boundaries of any public irrigation district formed under the laws of this state and the acreage thereof fixed and stated in the decree for the creation of said district or in any other proceeding relating thereto is fixed at a greater number of acres than actually exist within such lot, tract, or parcel of land or at a greater number of acres than can be irrigated from the reclamation system of said district or whenever, from any action or proceeding by or on behalf of said district or its commissioners, any such lot, tract, or parcel of land included therein has been or is about to be assessed from a greater acreage than exists therein or can be irrigated from the reclamation system of said district, the owner or holder of title or evidence of title to said lands, as defined by the irrigation district acts, may have the taxable acreage contained therein fixed and adjudicated as provided for by 85-7-1841 through 85-7-1845. However, if any bonds have been issued with the approval and pursuant to confirmation by the court then no proceeding for the determination of the acreage shall be allowed to alter or reduce in any manner the acreage subject to the lien of such bonds, in principal or interest, or of the taxes or assessments to meet the interest or principal thereof while such bonds or the interest thereon are unpaid in whole or in part. Such proceeding may still be allowed to correct or determine acreage subject to taxes or assessments for maintenance and current expenses and insofar as the latter only are to be affected.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7190, R.C.M. 1921; amd. Sec. 3, Ch. 54, L. 1923; re-en. Sec. 7190, R.C.M. 1935; R.C.M. 1947, 89-1404.**

**Cross-References**

Evidence of title, 85-7-102.

Board powers over district property, 85-7-1908.

Purposes for which bonds may be issued, 85-7-2012.

**85-7-1842. Petition for fixing of taxable area.** The owner or holder of title or evidence of title, as defined by the irrigation district acts, may file in the district court of the county wherein said lands are situated a petition praying that the acreage of the lands set forth and described in such petition may be permanently fixed and adjudicated, which petition shall set forth:

(1) the name or names of the owner or owners, holder of title or evidence of title thereto, who shall be the party or parties plaintiff therein;

(2) the names and kind and character of interest of every person owning, holding, or claiming any right, title, or interest in or to the lands described in said petition, who shall, where they do not appear as parties plaintiff under subsection (1), sit as parties defendant;

(3) the name of the district in which said lands are included, together with the name of the board of commissioners thereof and the secretary thereof, and said district, its commissioners and secretary shall be made parties defendant therein;

(4) a statement of the substance of all proceedings, orders, and decrees creating said districts and fixing the acreage of the lands therein described, together with any proceedings of the board of commissioners of said district or its officers relating to the acreage thereof, to such extent as to fully inform the court of the manner and extent to which said lands have been included and taxed or assessed in said district;

(5) the actual acreage of the lands described as irrigable from the reclamation system of said district;

(6) the excess of acreage complained of;

(7) the amount of taxes previously paid on such excess acreage;

(8) a general statement of the exact nature of the relief sought and the grounds therefor.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7191, R.C.M. 1921; amd. Sec. 3, Ch. 54, L. 1923; re-en. Sec. 7191, R.C.M. 1935; R.C.M. 1947, 89-1405.**

**Cross-References**

Property tax levies, Title 15, ch. 10.

Definitions and kinds of estates in real property, Title 70, ch. 15.

Creation of irrigation districts by percentage of titleholders, 85-7-101.

Evidence of title, 85-7-102.

Bonds for Commissioner and secretary, 85-7-1504.

**85-7-1843. Summons, publication, and court determination.** (1) Upon the filing of such petition, summons shall be issued thereon and served upon all parties defendant thereto, with a copy of the petition attached thereto, in the same manner and in the same form as issued in civil actions. Whenever any necessary party thereto cannot, after due diligence, be found within the state of Montana, service upon such party or parties may be had by publication of a summons, which shall be obtained, issued, and published in the same manner as a published summons in a civil action.

(2) The provisions of Title 25 and the rules of pleading and practice applicable to civil actions generally shall apply, so far as applicable, to this proceeding.

(3) If the allegations to such petition be denied, the district court shall, when the time for appearance of the parties defendant thereto has expired and said parties have appeared by answer or made default, proceed to hear and determine the issues in said proceedings as joined.

**History: En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 3, Ch. 145, L. 1915; re-en. Sec. 7192, R.C.M. 1921; amd. Sec. 3, Ch. 54, L. 1923; re-en. Sec. 7192, R.C.M. 1935; R.C.M. 1947, 89-1406.**

**Cross-References**

District Court jurisdiction, Title 3, ch. 5, part 3.

Process, Rule 4C, M.R.Civ.P. (see Title 25, ch. 20).

Service, Rule 4D, M.R.Civ.P. (see Title 25, ch. 20).

**85-7-1844. Decree fixing amount of irrigable acreage.** Upon the hearing of said petition, the court shall, by its decree, fix and determine the irrigable acreage contained in the lots, tracts, or parcels of land complained of. The acreage so fixed by such decree shall be the acreage upon which all assessments of said lands in said irrigation district shall thereafter be based. Upon said hearing the court shall determine the amount of taxes, if any, which have theretofore been levied and assessed upon any excess or nonexistent acreage and shall enter judgment in favor of the owner or holder thereof and against said district for the excess of taxes theretofore collected by said district or shall cancel such excess if the same shall not have been collected for the benefit of said district. However, no judgment for the recovery of excess taxes paid shall be entered against any district until there shall have been deducted therefrom any unpaid valid taxes and assessments levied and assessed for the benefit of said district against the lands described in said petition, and all sums so recovered shall bear interest at the rate of 8% per annum from the date of payment by the landholder. Said judgment shall bear legal interest from the date of entry, and the judgment so rendered may be paid by warrants or funds of said future taxation upon said lands. Costs shall be allowed to the plaintiff in the same manner as other civil actions.

**History:** **En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 4, Ch. 145, L. 1915; re-en. Sec. 7193, R.C.M. 1921; re-en. Sec. 7193, R.C.M. 1935; R.C.M. 1947, 89-1407.**

**Cross-References**

Property tax levies, Title 15, ch. 10.

Costs, Title 25, ch. 10.

All irrigable lands chargeable alike, 85-7-2103.

**85-7-1845. Appeal to supreme court.** From any such judgment or decree an appeal may be taken to the supreme court by any party thereto at any time within 10 days of the entry of said judgment or decree. Such appeal shall be taken, perfected, and heard in the manner prescribed by Title 25 governing appeals from the district court to the supreme court. If no such appeal be taken within the time aforesaid or, if taken, the judgment or decree of the district court shall be affirmed by the supreme court, such judgment or decree shall be forever conclusive upon the parties thereto. In case contract has been made between the district and the United States, as provided in 85-7-1906, no change shall be made in the boundaries of the district, and the district court shall make no order changing the boundaries of the district until the secretary of the interior shall assent thereto in writing and such assent be filed with the district court.

**History:** **En. Sec. 24, Ch. 146, L. 1909; amd. Sec. 4, Ch. 145, L. 1915; re-en. Sec. 7194, R.C.M. 1921; re-en. Sec. 7194, R.C.M. 1935; R.C.M. 1947, 89-1408.**

**Cross-References**

Supreme Court jurisdiction, Title 3, ch. 2, part 2.

Montana Rules of Appellate Procedure, Title 25, ch. 21.

## Part 19

## Operation of Districts

**Part Cross-References**

Conservation districts — operation, Title 76, ch. 15, part 4.

Drainage districts — organization and operation, Title 85, ch. 8, part 3.

Conservancy districts — organization and procedure, Title 85, ch. 9, part 4.

**85-7-1901. Board plan for acquisition and construction.** (1) For the purpose of purchasing or constructing the necessary irrigation canals or works or acquiring the necessary property and rights therefor and otherwise carrying out the provisions of this chapter, the board of commissioners of any irrigation district must, as soon as practicable after such district has been organized, formulate a general plan for such purchase, construction, and acquisition of such property. The board shall cause such surveys, examinations, and plans to be made as shall demonstrate the practicability of such plans, as well as of procuring water from other and different sources, the amount of land that can be irrigated thereunder, and furnish the proper basis for an estimate of the cost of carrying out such plan and the value of any canal, works, property, or system of irrigation proposed to be purchased.

(2) All such surveys, examinations, maps, plans, and estimates shall be made by or under the direction and supervision of an irrigation engineer of

well-known standing and competency, and all such necessary surveys, examinations, maps, plans, and estimates must be certified to by him. When all such are completed, he shall submit them with all proper field notes to and file them with the board of commissioners, accompanied by his report and recommendation thereon. This report shall include a discussion of said plans submitted by him to said board, of the question of water supply, of the sufficiency of the works proposed to accomplish the desired results, of the practicability of the proposed system from an engineering standpoint, of the probability of being acquired or constructed within the estimate of the cost stated, and such general discussion and recommendation in regard to the engineering and financial features of the whole matter as in the judgment of such engineer shall be desirable for the information of the people of the district. Such report shall be accompanied by a map, when such is necessary for a proper explanation or understanding of the same.

(3) Upon receiving such report, said board of commissioners shall proceed to determine the amount of money necessary to be raised for the purchase or construction of said proposed property, canals, or irrigation works and system and within 10 days after arriving at such determination shall cause the secretary of said board to notify all persons or corporations holding title or evidence of title to lands within said district (ascertained as provided in 85-7-101 and 85-7-102) of the filing of said report and their determination thereon. Said notices shall be given through the United States mail by letter addressed to such person or corporation at the last known post-office address of each person or corporation aforesaid. A certificate of the secretary of the board as to the fact of mailing said notice, affixed to a copy of said notice and recorded in the record book of said board of commissioners, shall be sufficient and conclusive evidence of such fact.

**History:** **En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(12).**

**Cross-References**

Business corporations — registered office and registered agent, 35-1-305.

Engineers and land surveyors, Title 37, ch. 67.

Utilization of water, Title 85, ch. 2, part 4.

**85-7-1902. Management of district by board.** (1) The board of commissioners of every irrigation district established and organized under and by virtue of parts 1 and 15 of this chapter shall constitute the corporate authority of said district.

(2) The board shall have the power and it shall be the duty of the members thereof to manage and conduct the business and affairs of the district; adopt a corporate seal therefor; make and execute all necessary contracts; and employ and appoint such agents, officers, and employees as may be required and prescribe their duties.

(3) The board is hereby authorized and empowered to institute and maintain any and all actions and proceedings, suits at law or in equity, necessary or proper in order to fully carry out the provisions of this chapter, or to enforce, maintain, protect, or preserve any and all rights, privileges, and immunities created by this chapter or acquired in pursuance thereof. In all courts, suits, or proceedings, the board may sue, appear, and defend in person or by attorneys and in the name of such irrigation district.

(4) The board may adopt rules and bylaws governing the calling and holding of meetings of the board; the manner of transacting business thereat; and the publishing or posting of the orders, resolutions, and proceedings of the board. It shall be the duty of said board to pass or adopt bylaws and rules for the apportionment and distribution of water to the lands of the district and for the protection and preservation of the works and other property of the district, and the board may therein require the prompt payment of all current and delinquent taxes and assessments and other financial obligations owing the district as a prerequisite to water service. The bylaws and rules shall be printed in convenient form for distribution in the district. All orders and resolutions shall be passed or adopted by a majority of the commissioners by a yea and nay vote, to be entered upon the records of the board.

(5) Said board shall have power generally to do and perform all such other acts as shall be necessary or appropriate to fully carry out the purposes of this chapter.

**History: En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(intro.), (1), (10), (11), (13); amd. Sec. 1, Ch. 262, L. 1983.**

**Cross-References**

Business corporations — general powers, 35-1-108.

Business corporations — bylaws — power in directors — contents, 35-1-214.

Business corporations — directors and officers, 35-1-401.

Organization of Board of Commissioners and establishment of office, 85-7-1502.

**85-7-1903. Entry upon land by board or agent.** The board and its agents and employees shall have the right to enter upon any land to make surveys and may locate the necessary irrigation works, including drainage works and the line for any canal or canals and necessary branches for the same, on any lands which in the judgment of the board may be deemed best suited for such location.

**History: En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(2).**

**Cross-References**

Special projects — entry on land, 85-1-406.

Surface and ground water — entry on land, 85-2-115.

**85-7-1904. Acquisition of water and waterworks by board.** (1) The board shall have power and authority to:

(a) appropriate water in the name of the district;

(b) acquire, by purchase, lease, or contract, water and water rights; additional waters and supplies of water; canals, reservoirs, dams, and other works already constructed or in the course of construction; and

(c) acquire by purchase, lease, contract, condemnation, or other legal means:

(i) lands and rights in lands for rights-of-way, for reservoirs, for the storage of needful waters, and for dam sites and necessary appurtenances; and

(ii) other lands and property as may be necessary for the construction, use, maintenance, repair, improvement, enlargement, and operation of any district or subdistrict system of irrigation works.

(2) The board may contract with the owner or owners of canals, reservoirs, dams, and other works purchased and in the course of construction for the completion thereof.

(3) A purchase, lease, or contract for purchase of any water, water rights, canals, reservoirs, reservoir sites, dam sites, irrigation works, or other property of any nature or kind or for the making or purchasing of surveys, maps, plans, estimates, and specifications or for the purchase of machinery for pumping plants or for the erection of buildings, aqueducts, and other structures necessarily used in connection with such pumping plants, for a price or rental in excess of $150,000 or 25% of the district's annual operation and maintenance budget, whichever is greater, may not be entered into by the district without the written consent or petition of at least a majority in number and acreage of the holders of title or evidence of title to the lands within the district or, if the purchase, lease, or contract substantially benefits a subdistrict in the district, by a majority in number and acreage of the holders of title or evidence of title to lands within the subdistrict. Any splitting or division of a purchase, lease, or contract with the purpose or intention of avoiding or circumventing the provisions of this section renders the divided or split contract or contracts void.

**History: En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(3), (5); amd. Sec. 4, Ch. 326, L. 1979; amd. Sec. 7, Ch. 112, L. 1981; amd. Sec. 1, Ch. 328, L. 1983; amd. Sec. 1, Ch. 165, L. 1987; amd. Sec. 8, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(c)(ii) inserted "or subdistrict"; near beginning of (2) substituted "may contract" for "shall have the privilege, if desired, to contract"; in (3), near middle of first sentence, substituted "may not be entered into by the district" for "is final or binding upon the district, and no sum may be paid for such purchase, lease, or contract" and at end inserted clause relating to purchase, lease, or contract benefiting subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Contracts — illegal objects and provisions, Title 28, ch. 2, part 7.

Management of property — water contracts, 85-1-211.

Special projects, Title 85, ch. 1, part 4.

Utilization of water, Title 85, ch. 2, part 4.

**85-7-1905. Board agreements for joint operations or cooperation.** (1) The board shall have power and authority to enter into and do any acts necessary or proper for the performance of any agreements with any state, county, district of any kind, public or private corporation, association, firm, or individual, or any number of them for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair, or operation of any rights, works, or other property of a kind which might lawfully be acquired or owned by the irrigation district.

(2) The board may acquire the right to store water in any reservoir or to carry water through any canal, ditch, or conduit not owned or controlled by the district and may grant to any owner or lessee of the right to the use of any water the right to store such water in any reservoir of the district or to carry such water through any canal, ditch, or conduit of the district.

**History: En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(4).**

**Cross-References**
Joint operations, Title 85, ch. 7, part 16.

**85-7-1906. Relations with United States.** (1) For the purpose of acquiring control over government land within the district and of complying with the provisions of the act of congress of August 11, 1916, the board shall have authority to make such investigations and base thereon such representations and assurances to the secretary of the interior as may be requisite.

(2) The board may enter into any obligation or contract with the United States:

(a) for the construction, operation, and maintenance of the necessary works for the delivery and distribution of water therefrom and the necessary drainage works;

(b) for the assumption, as principal or guarantor, of indebtedness to the United States on account of district lands, under the provisions of the federal Reclamation Act of June 17, 1902, all acts amendatory thereof or supplementary thereto, and the rules and regulations established thereunder; or

(c) for a water supply under any act of congress providing for or permitting such contract.

(3) In case contract has been or may hereafter be made with the United States as herein provided, bonds of the district may be deposited with the United States at 90% of their par value, to the amount to be paid by the district to the United States under any such contract. The interest on said bonds of the district and regularly paid to the United States is to be applied as provided in such contract. If bonds of the district are not so deposited, it shall be the duty of the board of commissioners to include, as part of any levy or assessment provided for in 85-7-2101 or 85-7-2132, an amount sufficient to meet each year all payments accruing under the terms of any such contract. The board may accept, on behalf of the district, appointment of the district as fiscal agent of the United States or authorization of the district by the United States to make collections of money for or on behalf of the United States in connection with any federal reclamation project, whereupon the district shall be authorized to so act and to assume the duties and liabilities incident to such action. The board shall have full power to do all things required by the federal statutes now or hereafter enacted in connection therewith and all things required by the rules and regulations now or that may hereafter be established by any department of the federal government in regard thereto, including the power to require the prompt payment of all charges as prerequisite to water service.

**History:** En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(6), (7); amd. Sec. 5, Ch. 326, L. 1979.

**Cross-References**
Contracts — object of a contract, Title 28, ch. 2, part 6.
Contracts with state agencies and counties, 85-1-224.
Limitations on debt-incurring power, 85-7-2001.

**85-7-1907. Board power to provide sufficient water.** The board may also construct and maintain the necessary dams, reservoirs, and works for the collection and distribution of water for the district or any subdistrict in the district, from one or more sources and from different and additional sources; operate such works; secure, in any of the manners provided in this chapter, additional water supplies from the same or different sources; and do any and every lawful act necessary to be done in order that sufficient water may be furnished for irrigation purposes to all the lands in the district or subdistrict included at the time of its organization or at any time thereafter.

**History:** En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; R.C.M. 1947, 89-1301(8); amd. Sec. 9, Ch. 439, L. 1989.

**Compiler's Comments**

*1989 Amendment:* In two places inserted references to subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Transfer of real property, Title 70, ch. 20.

**85-7-1908. Board powers over district property.** (1) The board may take conveyances or other assurances for all property acquired by it under the provisions of this chapter, in the name of the district, to and for the uses and purposes in this chapter.

(2) The legal title to all property acquired by or for any irrigation district or any subdistrict in the district under the provisions of this chapter shall immediately and by operation of law vest in that district, as set forth in this chapter. The board of commissioners may hold, use, maintain, acquire, manage, occupy, and possess that property, as provided in this chapter. Any property acquired by the district may be conveyed to the United States for the construction, operation, and maintenance of works by the United States for the benefit of the district or a subdistrict in the district under any contract that may be entered into with the United States pursuant to this chapter.

**History:** (1)En. Sec. 9, Ch. 146, L. 1909; amd. Sec. 2, Ch. 145, L. 1915; amd. Sec. 3, Ch. 153, L. 1917; amd. Sec. 3, Ch. 116, L. 1919; re-en. Sec. 7174, R.C.M. 1921; amd. Sec. 4, Ch. 157, L. 1923; re-en. Sec. 7174, R.C.M. 1935; amd. Sec. 1, Ch. 111, L. 1973; amd. Sec. 1, Ch. 307, L. 1975; Sec. 89-1301, R.C.M. 1947; (2)En. Sec. 30, Ch. 146, L. 1909; amd. Sec. 5, Ch. 153, L. 1917; re-en. Sec. 7200, R.C.M. 1921; re-en. Sec. 7200, R.C.M. 1935; Sec. 89-1605, R.C.M. 1947; R.C.M. 1947, 89-1301(9), 89-1605; amd. Sec. 10, Ch. 439, L. 1989.

**Compiler's Comments**

*1989 Amendment:* In two places inserted references to subdistrict; and in (2), after "United States", deleted "insofar as the same may be needed"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-1909. Rights-of-way for irrigation works.** (1) The board of commissioners shall have the power to construct irrigation works across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch, or flume which the route of said canal or canals may intersect or cross in such manner as to afford security to life and property. Said board shall restore the same, when so crossed or intersected, to its former state, as near as may be, so as not to destroy its usefulness. Every company whose railroad shall be intersected or crossed by said works shall unite with said board in forming said intersection and crossing, and if such railroad company or the owners and controllers of said property, thing, or franchise so to be crossed and said board cannot agree upon the amount to be paid therefor or the points or the manner of said crossing or intersections, the same shall be ascertained and determined in all respects as herein provided in respect to taking of land for public use.

(2) Nothing contained herein shall require the payment to the state or any subdivision thereof of any sum for the right to cross any public highway with any such works. The right-of-way is hereby given, dedicated, and set apart to locate, construct, and maintain said works over and through any of the lands which are now or hereafter may be the property of this state.

**History:** **En. Sec. 26, Ch. 146, L. 1909; re-en. Sec. 7196, R.C.M. 1921; re-en. Sec. 7196, R.C.M. 1935; R.C.M. 1947, 89-1601.**

**Cross-References**

Railroads — crossing of roads and streams, 69-14-535.

Construction across streams, highways, or other obstacles, 85-1-208.

**85-7-1910. Board power to dispose of district property.** (1) The board of commissioners may, with the written consent of a majority in number and acreage of the owners of the lands in the district or, if the leased property substantially benefits a subdistrict in the district, of a majority in number and acreage of the owners of lands within the subdistrict, to lease in whole or in part the system of canals and works or water belonging to the district, whenever the leasing is considered for the benefit of the district or subdistrict, if the leased property substantially benefits the subdistrict. When the board contemplates the leasing of the canals or works or water of a district or subdistrict, it shall declare the availability of the lease by resolution or order and give notice thereof by publication in some newspaper published in the county in which the office of that irrigation district is situated at least 2 calendar weeks prior to the making of any lease. A lease may not be made unless a majority in number and acreage of the holders of title or evidence of title to the lands in the district or, if the lease substantially benefits a subdistrict, a majority in number and acreage of the holders of title or evidence of title to lands within the subdistrict, file with the board a written consent to make the lease. The lease may not interfere with any rights that have been established by law at the time the lease is made, nor may the lease operate to deprive any owner or owners of land in the district of the use of water from such works upon the lands. The board of commissioners shall require a good and sufficient bond to secure the faithful performance of the lease by the lessee.

(2) In addition to all other powers granted any irrigation district existing under the laws of Montana, for the purpose of securing financial aid in any form from the department of natural resources and conservation, an irrigation district may convey, assign, transfer, and set over to the department all or any part of its property, including all water rights, rights-of-way, and easements for reservoirs, reservoir sites, canals, ditches, laterals, and headgates, as may be required by the department as a condition to furnishing financial aid or assistance.

(3) If an irrigation district has ceased operation, the district prior to its dissolution may convey, assign, transfer, and set over to any person or association of persons all or any part of its property described in subsection (2), for the purpose of irrigating and reclaiming any or all other land which can be served and irrigated.

**History:** **(1)En. Sec. 29, Ch. 146, L. 1909; re-en. Sec. 7199, R.C.M. 1921; re-en. Sec. 7199, R.C.M. 1935; Sec. 89-1604, R.C.M. 1947; (2)En. Sec. 1, Ch. 191, L. 1937; amd. Sec. 166, Ch.**

**253, L. 1974; Sec. 89-1905, R.C.M. 1947; (3)En. Sec. 2, Ch. 191, L. 1937; Sec. 89-1906, R.C.M. 1947; R.C.M. 1947, 89-1604, 89-1905, 89-1906; amd. Sec. 11, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), near beginning and at end of first sentence, inserted clause referring to leased property benefiting subdistrict, in second sentence, after "district", inserted reference to subdistrict and after "declare" inserted "the availability of the lease", and near end of third sentence inserted clause relating to lease substantially benefiting subdistrict; and made minor changes in punctuation and phraseology. Amendment effective April 4, 1989.

**Cross-References**

Guaranty — general provisions, Title 28, ch. 11, part 1.

Landlord and tenant — commercial property, Title 70, ch. 26, part 2.

Acquisition of property by Department, 85-1-209.

Disposal of property by Department to other public bodies, 85-1-210.

Management of property — water contracts, 85-1-211.

Construction funds, 85-1-322.

**85-7-1911. Apportionment of water by board.** (1) The board of commissioners shall apportion the water for irrigation among the lands in the district or a subdistrict in the district in a just and equitable manner, and the maximum amount apportioned to any land shall be the amount that can be beneficially used on the land. The amount of water is appurtenant to the land and inseparable from it but subject to reduction as provided in this chapter.

(2) In the event of a shortage of water, the amount of water delivered to each particular tract or piece of land shall be reduced proportionately.

(3) All surplus water belonging to the district may be sold or disposed of by the board for the benefit of the district or for the benefit of a subdistrict if the surplus water is derived from water that attaches to the substantial benefit of the subdistrict.

(4) All water, the right to the use of which is acquired by the district under any contract with the United States, shall be distributed and apportioned by the district in accordance with the acts of congress, the rules and regulations of the secretary of the interior, and the provisions of the contract.

**History: (1)En. Sec. 32, Ch. 146, L. 1909; amd. Sec. 6, Ch. 145, L. 1915; re-en. Sec. 7202, R.C.M. 1921; re-en. Sec. 7202, R.C.M. 1935; amd. Sec. 1, Ch. 314, L. 1977; Sec. 89-1607, R.C.M. 1947; (2)En. Sec. 33, Ch. 146, L. 1909; amd. Sec. 7, Ch. 145, L. 1915; re-en. Sec. 7203, R.C.M. 1921; re-en. Sec. 7203, R.C.M. 1935; Sec. 89-1608, R.C.M. 1947; (3), (4)En. Sec. 34, Ch. 146, L. 1909; amd. Sec. 8, Ch. 145, L. 1915; re-en. Sec. 7204, R.C.M. 1921; re-en. Sec. 7204, R.C.M. 1935; Sec. 89-1609, R.C.M. 1947; R.C.M. 1947, 89-1607, 89-1608, 89-1609; amd. Sec. 12, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) inserted reference to subdistrict; at end of (3) inserted clause relating to sale for benefit of subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Utilization of water, Title 85, ch. 2, part 4.

**85-7-1912. Exchange of water by board.** (1) Whenever any canal constructed, owned, or controlled by the district crosses any creek, stream, water channel or course, the water of which is used to irrigate land lying below such canal, the district shall have the right to contract with the owner or owners of the right to the use of the water or waters in any such stream, creek, water channel or course for an exchange of water and to supply him with water from the district system. The contract shall be in writing, signed and acknowledged by all the parties thereto before some officer authorized to take acknowledgments, and shall be filed and recorded in the office of the clerk and recorder of the county in which the creek, stream, water channel or course is situated. The acknowledgment shall be certified by such officer in the manner that deeds are now required to be certified to entitle them to be recorded. Thereafter, such district shall have the right to supply such land below the canal, whether such land is included in the district or not, with water from the works of the district, and the owner or lessee of such land shall, in such case, be furnished with the same quantity of water as that to which such owner or lessee would be entitled out of such creek, stream, water channel or course had the district works not been built.

(2) The district shall have the right to appropriate and take possession of the water so replaced and shall have the same right to such water as the owner or lessee of the land had, so long as such water shall be replaced by a like quantity of water from such works. The appropriating and taking of such water by the district shall never deprive such owner or lessee of the right to retake and use the same should such owner or lessee at any time be prevented from having or using a like quantity of water from such works. The district shall also have the right to make appropriation and take possession of such water at any point and to sell, lease, or use such water on any land, either above or below the canal, and the appropriation of such water at any point or selling, leasing, or using the same shall not prejudice the right of the district to the water and shall not increase the rights of the owner or owners of any other water right on such creek, stream, water channel or course.

(3) All water, the right to the use of which is acquired by the district under any contract with the United States, shall be distributed and apportioned by the district in accordance with the acts of congress, the rules and regulations of the secretary of the interior, and the provisions of said contract in relation thereto.

**History: En. Sec. 36, Ch. 146, L. 1909; amd. Sec. 9, Ch. 145, L. 1915; re-en. Sec. 7206, R.C.M. 1921; re-en. Sec. 7206, R.C.M. 1935; R.C.M. 1947, 89-1611.**

**Cross-References**

Management of property — water contracts, 85-1-211.

Utilization of water, Title 85, ch. 2, part 4.

**85-7-1913. Board to maintain records.** (1) The board of commissioners shall keep a complete book and record of the accounts, records, contracts, securities, minutes of meetings, and other matters of every kind pertaining to or belonging to the irrigation district in the form prescribed by the department of commerce. The department of commerce shall prescribe forms for the use of irrigation districts and examine them as provided by law for the examination of the affairs of county officers. The books and records shall be open to the inspection of any landowner of the district the same as other public records.

(2) The department of commerce shall notify the secretaries of the districts of the time of presenting the books and records at the courthouse for examination.

(3) If a district is appointed fiscal agent of the United States or is authorized by the United States to make collections for or on behalf of the United States in connection with a federal irrigation project, the board of commissioners or its secretary shall at any time allow any officer or employee of the United States, when acting under the orders of the secretary of the interior, to have access to all books, records, and vouchers of the district which are in possession or control of the secretary or board.

(4) The failure of the board of commissioners to comply with this section or 85-7-1914 is grounds for removal from office, and the county attorney of any county in which the irrigation district is situated shall prosecute ouster proceedings against any commissioner or commissioners. The cost of the proceedings is a charge against the irrigation district and shall be paid as are other bills against the districts.

**History: En. Sec. 65, Ch. 146, L. 1909; amd. Sec. 21, Ch. 145, L. 1915; amd. Sec. 1, Ch. 212, L. 1921; re-en. Sec. 7260, R.C.M. 1921; re-en. Sec. 7260, R.C.M. 1935; amd. Sec. 2, Ch. 195, L. 1945; amd. Sec. 4, Ch. 256, L. 1971; amd. Sec. 105, Ch. 348, L. 1974; amd. Sec. 52, Ch. 213, L. 1975; R.C.M. 1947, 89-2107(1), (2), (4); amd. Sec. 7, Ch. 274, L. 1981; amd. Sec. 1, Ch. 287, L. 1983.**

**Cross-References**

Right of public participation in government, Art. II, sec. 8, Mont. Const.

Public participation in governmental operations, Title 2, ch. 3.

Audits of political subdivisions, Title 2, ch. 7, part 5.

County Attorney — other duties, 7-4-2717.

**85-7-1914. Board to file annual report.** The board of commissioners shall annually file with the county clerk and recorder of the county in which the district is located, within 10 days after March 1 of each year, a sworn report showing the assets and liabilities of the district, the amount of money received during the preceding year, and the amount spent during that time and shall publish the report at least once in a newspaper of the county.

**History: En. Sec. 65, Ch. 146, L. 1909; amd. Sec. 21, Ch. 145, L. 1915; amd. Sec. 1, Ch. 212, L. 1921; re-en. Sec. 7260, R.C.M. 1921; re-en. Sec. 7260, R.C.M. 1935; amd. Sec. 2, Ch. 195, L. 1945; amd. Sec. 4, Ch. 256, L. 1971; amd. Sec. 105, Ch. 348, L. 1974; amd. Sec. 52, Ch. 213, L. 1975; R.C.M. 1947, 89-2107(3).**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

Publication of legal records, Title 18, ch. 7, part 2.

Required records, 85-7-1616.

**85-7-1915 through 85-7-1920 reserved.**

**85-7-1921. Distribution system defined.** The words "distribution system", as used in 85-7-1922 through 85-7-1925, denotes the entire works and property of all irrigation districts, including main ditches and canals, laterals, bilaterals, headgates, flumes, spillways, boxes, and all other appliances and means by which the waters of any irrigation district, including a subdistrict in the district, are or shall be apportioned or distributed for use.

**History: En. Sec. 1, Ch. 63, L. 1935; re-en. Sec. 7207.1, R.C.M. 1935; R.C.M. 1947, 89-1613; amd. Sec. 13, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near end inserted reference to subdistricts; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Works defined, 85-1-102.

**85-7-1922. Regulation, supervision, apportionment, and control of water distribution.** In addition to all other powers granted them by the laws of Montana, boards of commissioners of all irrigation districts, now or hereafter organized under any law of this state, shall have the power and authority to regulate, supervise, apportion, and control the furnishing and delivery of water through the distribution system of the district. Such authority to regulate, supervise, apportion, and control shall not apply to users who have water rights or ditch rights, established, acquired by court decree, use, appropriation or otherwise, at the time or prior to the organization of such district, without regard to whether said distribution system or any portion thereof belongs to the district or to the owner of lands served by said district.

**History:** **En. Sec. 2, Ch. 63, L. 1935; re-en. Sec. 7207.2, R.C.M. 1935; R.C.M. 1947, 89-1614.**

**Cross-References**

Rights and duties of water users, Title 85, ch. 5, part 3.

Water ditches under joint or corporate control, Title 85, ch. 5, part 4.

Board of Control — powers and duties, 85-7-1612.

**85-7-1923. Entry on land.** In carrying out the authority granted them by 85-7-1921 through 85-7-1925, it shall be lawful for boards of commissioners of irrigation districts to enter upon the lands of any user of water supplied by said district for the purpose of installing, adjusting, or regulating headgates, lock boxes, or other devices for regulating the flow of water or apportioning the equitable distribution thereof.

**History:** **En. Sec. 3, Ch. 63, L. 1935; re-en. Sec. 7207.3, R.C.M. 1935; R.C.M. 1947, 89-1615.**

**Cross-References**

Special projects — entry on land, 85-1-406.

Surface and ground water — entry on land, 85-2-115.

**85-7-1924. Interference with commissioners or distribution system — penalty.** Any person who in any manner interferes with the commissioners of an irrigation district or their lawful agent or employee in the carrying out of the powers conferred by 85-7-1921 through 85-7-1925 or who changes or tampers with any lock box, headgate, or other device for the apportionment or distribution of water installed by or under the authority of the commissioners or who in any manner obstructs or changes the flow of water in the distribution system of any irrigation district without authority of the commissioners of the district shall, in the discretion of the commissioners, be subject to a forfeiture of his right to the delivery of water through the distribution system of the district so long as such acts continue and is guilty of obstructing a public officer or criminal mischief, as appropriate, and is punishable as provided by 45-7-302 or 45-6-101, as applicable.

**History:** **En. Sec. 4, Ch. 63, L. 1935; re-en. Sec. 7207.4, R.C.M. 1935; amd. Sec. 24, Ch. 460, L. 1977; R.C.M. 1947, 89-1616.**

**Cross-References**

Prevention of waste, 85-2-114.

Rights and duties of water users, Title 85, ch. 5, part 3.

Water ditches under joint control — interference with actions of Commissioner, 85-5-406.

**85-7-1925. Installing and assessing costs of distributing or measuring devices.** Whenever, in the judgment of the commissioners of any irrigation district, it is necessary for the proper measurement, distribution, or apportionment of the water of the district to install lock boxes, headgates, or other devices for the distribution of water at the point where any lateral is taken out of a main ditch or canal or at a point where any sublateral is taken out of a lateral for further division or distribution of water, they shall have the authority to procure and install the same and to assess the cost thereof against the lands affected thereby.

**History:** **En. Sec. 5, Ch. 63, L. 1935; re-en. Sec. 7207.5, R.C.M. 1935; R.C.M. 1947, 89-1617.**

**Cross-References**
Board powers and duties, 85-2-113.
Duty of purchaser to dig ditches, 85-2-416.
Distribution of water and related expenses, 85-5-201.

### 85-7-1926 through 85-7-1930 reserved.

**85-7-1931. Use of water for irrigation a public use.** (1) The use of all water required for the irrigation of the land of any district formed under the provisions of part 1, together with the rights-of-way for canals and ditches, sites for reservoirs, and all property required in fully carrying out the provisions of this chapter, is hereby declared to be a public use, subject to the regulations and control of the state in the manner prescribed by law.

(2) All water, the right to the use of which is acquired by the district under any contract with the United States, shall be distributed and apportioned by the district in accordance with the acts of congress, the rules and regulations of the secretary of the interior, and the provisions of said contract in relation thereto.

**History: En. Sec. 31, Ch. 146, L. 1909; amd. Sec. 5, Ch. 145, L. 1915; re-en. Sec. 7201, R.C.M. 1921; re-en. Sec. 7201, R.C.M. 1935; R.C.M. 1947, 89-1606.**

**Cross-References**
Public uses enumerated, 70-30-102.

**85-7-1932. Noninterference with navigation or water rights.** Navigation shall never in anywise be impeded by the operation of this chapter, nor shall any vested interest in or to any mining or agricultural water rights or ditches or in or to any water rights, reservoirs, or dams now used beneficially by the owners or possessors thereof in connection with any mining or agricultural industry or by persons purchasing or renting the use thereof or in or to any other property now used, directly or indirectly, in carrying on or in promoting the mining or agricultural industry ever be affected by or taken under its provisions, save and except that rights-of-way may be acquired over the same. The right of eminent domain shall not be otherwise considered abridged by the provisions hereof.

**History: En. Sec. 27, Ch. 146, L. 1909; re-en. Sec. 7197, R.C.M. 1921; re-en. Sec. 7197, R.C.M. 1935; R.C.M. 1947, 89-1602.**

**Cross-References**
Recreational use of streams, Title 23, ch. 2, part 3.
Interference with navigable water as nuisance, 27-30-101, 45-8-111.
Eminent domain, Title 70, ch. 30.
Navigable waters, 85-1-112.

**85-7-1933. Diversion of waters.** Nothing herein contained shall be deemed to authorize the diversion of the waters of any river, creek, stream, canal, or ditch from its channel to the detriment of any person or persons having an interest in such river, creek, stream, canal, ditch, or the waters therein.

**History: En. Sec. 28, Ch. 146, L. 1909; re-en. Sec. 7198, R.C.M. 1921; re-en. Sec. 7198, R.C.M. 1935; R.C.M. 1947, 89-1603.**

**Cross-References**
Right to appropriate, 85-2-301.
Utilization of water, Title 85, ch. 2, part 4.

**85-7-1934. Lands under irrigation — inclusion in district.** (1) Any land already under irrigation from any source may be included in any irrigation district, either at the time of the organization of such district or at any time thereafter, and such land shall be entitled to receive and shall be given the same amount of water necessarily used thereon at the time of such inclusion. The canals, ditches, flumes, dams, or other works previously used to irrigate such land may be used or supplanted either wholly or in part by the district works. The owner of such land, canals, ditches, flumes, dams, or other works shall be entitled to compensation for any and all damage sustained by reason of the appropriation of the same or by the construction of said district works.

(2) Lands already under irrigation, lands having water rights appurtenant thereto, or lands which can be irrigated from sources more feasible than the district system shall not be included within such district unless the owner of such lands shall consent in writing to have such lands included in said district.

(3) Districts formed to cooperate with the United States may extend their boundaries to include such lands upon petition of the owners of two-thirds only of the acreage of the lands to be included, and the boundaries shall be susceptible of change as provided in 85-7-1808 through 85-7-1811 and 85-7-1841 through 85-7-1845.

(4) All lands having water rights appurtenant thereto which are served by a system of irrigation works supplying more than 10,000 acres of land may, in the discretion of the court, be included in the proposed district, on petition of at least a majority both in number and acreage of the holders of title or evidence of title to the land having water rights appurtenant thereto and served by the same system of irrigation works.

**History: En. Sec. 35, Ch. 146, L. 1909; amd. Sec. 6, Ch. 153, L. 1917; amd. Sec. 4, Ch. 116, L. 1919; re-en. Sec. 7205, R.C.M. 1921; re-en. Sec. 7205, R.C.M. 1935; R.C.M. 1947, 89-1610.**

**Cross-References**

Adjudication of water rights, Title 85, ch. 2, part 2.

Creation of districts — generally, Title 85, ch. 7, part 1.

Creation of districts — adjudicated streams, Title 85, ch. 7, part 2.

Creation of districts — sections not applicable, 85-7-304.

**85-7-1935. Lands under irrigation — limits on charges for costs.** Where lands already under irrigation are included in any district, the water and irrigation works irrigating the same belonging to the owner of said lands, such lands shall not be charged with any tax or assessment for construction or for payment of the interest or principal of any bonds issued to secure money for construction or purchase of the district irrigation works or for any payments other than for operation and maintenance due or to become due under any contract between the district and the United States, accompanying which bonds of the district have not been deposited with the United States as provided in 85-7-1906, except with the consent of the owner thereof, which consent shall be filed with the recorder of deeds of the county in which such lands are situated. Such lands shall be assessed for administrative and maintenance purposes the same as other lands in the district.

**History: En. Sec. 37, Ch. 146, L. 1909; amd. Sec. 10, Ch. 145, L. 1915; re-en. Sec. 7207, R.C.M. 1921; re-en. Sec. 7207, R.C.M. 1935; R.C.M. 1947, 89-1612.**

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

Taxes and assessments, Title 85, ch. 7, part 21.

**85-7-1936 through 85-7-1940 reserved.**

**85-7-1941. Contracts.** (1) The construction by the district of irrigation works may be done by the district, by private owners, or by contract.

(2) Before any contract is let, the board of commissioners shall provide surveys, plans, maps, and estimates, which shall include everything necessary to show the entire cost in detail of everything necessary to complete the work required to irrigate any of the lands in the district under the proposed system.

(3) Notice of any contract to be awarded for the construction of such works shall state where the plans and specifications may be seen and shall be published at least once a week for 3 successive calendar weeks in a newspaper published or of general circulation in the county where the office of the district is located. Sealed bids shall be called for in such published notice, and bids shall be opened in public.

**History: En. Sec. 25, Ch. 146, L. 1909; amd. Sec. 4, Ch. 145, L. 1915; re-en. Sec. 7195, R.C.M. 1921; re-en. Sec. 7195, R.C.M. 1935; R.C.M. 1947, 89-1501(part); amd. Sec. 8, Ch. 112, L. 1981.**

**Cross-References**

Public contracts generally, Title 18, ch. 1.

Publication of legal notices, Title 18, ch. 7, part 2.

Contracts, Title 28, ch. 2 and 3.

Creation of districts — common water supply — sections not applicable, 85-7-304.

**85-7-1942. Competitive bidding.** The contract shall be awarded only to the lowest responsible bidder, who shall be required to give bond for the faithful performance and completion of the contract. The board shall have the right to reject any and all bids in its discretion.

**History: En. Sec. 25, Ch. 146, L. 1909; amd. Sec. 4, Ch. 145, L. 1915; re-en. Sec. 7195, R.C.M. 1921; re-en. Sec. 7195, R.C.M. 1935; R.C.M. 1947, 89-1501(part).**

**Cross-References**

State contracts to lowest resident bidder, 18-1-102.

Residence defined, 18-1-103.

Public contracts — bid security, Title 18, ch. 1, part 2.

Creation of districts — common water supply — sections not applicable, 85-7-304.

**85-7-1943. Exceptions for certain projects.** The provisions of 85-7-1941 and 85-7-1942 shall not apply to:

(1) any contract for the completion of works in course of construction by private owners, from whom said works may be acquired under the provisions of 85-7-1904 or 85-7-1905;

(2) any contract between the district and the United States.

**History: En. Sec. 25, Ch. 146, L. 1909; amd. Sec. 4, Ch. 145, L. 1915; re-en. Sec. 7195, R.C.M. 1921; re-en. Sec. 7195, R.C.M. 1935; R.C.M. 1947, 89-1501(part).**

**Cross-References**

Contracts with the United States, 85-1-221.

Indian and federal water rights, Title 85, ch. 2, part 7.

Creation of districts — common water supply — sections not applicable, 85-7-304.

Change of boundaries of irrigation districts indebted to United States, 85-7-1821.

Withdrawal of lands to organize separate or consolidated district for cooperation with federal projects — petition, 85-7-1831.

**85-7-1944 through 85-7-1950 reserved.**

**85-7-1951. United States contracts — loans, sinking fund, and investment.** The board of commissioners of any irrigation district established and organized under and by virtue of the laws of Montana, whenever deemed advisable and to the interest of the district, shall have the power and authority to enter into any obligation or contract with the United States under any act of congress and the rules and regulations established thereunder, providing for or permitting such obligation or contract, for the purpose of obtaining from the United States a loan of money to be used by the district for the liquidation of bonded or other outstanding indebtedness of the district or for doing or causing to be done, under the supervision of the secretary of the interior of the United States, any construction, betterments, or repair work necessary to place the irrigation system of the district in good operating condition. The board shall also have the power and authority to create, by proper levy and collection of assessments, a sinking fund which shall be available for the construction of betterments to the irrigation system of the district, as may become necessary during the term of any contract made hereunder. Said sinking fund for said purpose, which shall be designated the ".... District Sinking Fund for Betterments", shall be in such an amount and shall be created within such time as may be agreed upon between the district and the United States. The board shall also have the power and authority to invest any surplus in the sinking fund herein provided for in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal and state agency obligations.

**History:** **En. Sec. 1, Ch. 24, L. 1931; re-en. Sec. 7264.10, R.C.M. 1935; R.C.M. 1947, 89-2120; amd. Sec. 1, Ch. 166, L. 1987.**

**85-7-1952. United States contracts — assessments.** In any contract entered into between an irrigation district and the United States hereunder, the board of commissioners shall have the power to levy assessments for the United States contract fund against all of the land within the district for any and all of the purposes enumerated in the laws of Montana and, in addition thereto, the power to levy assessments in compliance with such contract, including such deficiency assessments as will enable the district to meet established or estimated delinquencies in making payments to the United States because of the failure of landowners to pay the assessments levied against their lands in the district.

**History:** **En. Sec. 2, Ch. 24, L. 1931; re-en. Sec. 7264.11, R.C.M. 1935; R.C.M. 1947, 89-2121.**

**85-7-1953. Amount owed United States — lien and special tax.** All amounts to be paid to the United States under any contract made hereunder between the district and the United States shall be a general obligation of the district, and said amounts to be paid to the United States shall be a lien upon the irrigation system of the district. All lands now within the district or hereafter embraced within the district shall be subject to a special tax or assessment for the payment of all amounts to be paid to the United States under any such contract between the district and the United States, and said special tax or assessment shall constitute a first and prior lien on the land against which levied to the same extent and with like force and effect as taxes levied for state and county purposes.

**History:** **En. Sec. 3, Ch. 24, L. 1931; re-en. Sec. 7264.12, R.C.M. 1935; amd. Sec. 1, Ch. 83, L. 1955; R.C.M. 1947, 89-2122.**

**85-7-1954. Assumption of operations by United States upon default.** In addition to other legal remedies, the board of commissioners of the district shall have the power and authority to provide in any contract executed between the United States and the district hereunder that in case of default for more than 12 months in the payment of any installments due under such contract, the control, operation, and maintenance of the district may, in the discretion of the secretary of the interior, be assumed by the United States and the delivery of water withheld until payments are duly made in accordance with the contract requirements.

**History:** **En. Sec. 4, Ch. 24, L. 1931; re-en. Sec. 7264.13, R.C.M. 1935; R.C.M. 1947, 89-2123.**

**85-7-1955. Liquidation of indebtedness with federal funds.** When money is provided by the United States for liquidating bonded indebtedness of any irrigation district, the county treasurer is authorized and empowered to cancel the district bonds so liquidated and surrender them to the United States, taking therefor a receipt signed by the secretary of the interior, which receipt shall be placed in the records of the county treasurer and shall be conclusive evidence of the cancellation and surrender of the district bonds.

**History:** **En. Sec. 5, Ch. 24, L. 1931; re-en. Sec. 7264.14, R.C.M. 1935; R.C.M. 1947, 89-2124.**

**85-7-1956. Majority vote or petition necessary to contract with United States.** No contract shall be made with the United States hereunder except upon approval of a majority of those voting on the question at an election conducted pursuant to 85-7-1710, provided that the voting majority must own at least 50% of the acreage included within the district, or upon a petition signed by at least 60% in number and acreage of the holders of title or evidence of title to the lands included within the district. Such petition shall be addressed to the board of commissioners, shall set forth the aggregate amount of money to be borrowed from the United States and the purpose or purposes thereof, shall have attached thereto an affidavit certifying the signatures to said petition, and shall be filed with the secretary of the board of commissioners. Such petition may consist of one or more parts or papers.

**History:** **En. Sec. 6, Ch. 24, L. 1931; re-en. Sec. 7264.15, R.C.M. 1935; R.C.M. 1947, 89-2125; amd. Sec. 1, Ch. 463, L. 1983.**

**85-7-1957. United States contracts — court approval required.** (1) The board of commissioners of any irrigation district, before the making of any contract with the United States hereunder, shall commence a special proceeding in the district court of the state, by which the proceedings of the board and of the district leading up to the making of any such contract and the validity of the terms thereof shall be judicially examined and approved and affirmed or disapproved and disaffirmed.

(2) The practice and procedure for the confirmation of any step or action, as provided in subsection (1) shall be as nearly as possible in conformity with the practice and procedure now provided for the confirmation before the issuance and sale of bonds of an irrigation district. The court may approve and affirm such proceedings in part and disapprove and declare illegal or invalid other and subsequent parts of the proceedings, and insofar as possible, the court shall remedy and cure all defects in said proceedings.

**History:** **(1)En. Sec. 7, Ch. 24, L. 1931; re-en. Sec. 7264.16, R.C.M. 1935; amd. Sec. 39, Ch. 460, L. 1977; Sec. 89-2126, R.C.M. 1947; (2)En. Sec. 8, Ch. 24, L. 1931; re-en. Sec. 7264.17, R.C.M. 1935; Sec. 89-2127, R.C.M. 1947; R.C.M. 1947, 89-2126, 89-2127.**

**Cross-References**

District Court confirmation before the issuance and sale of bonds of an irrigation district, 85-7-2016, 85-7-2017.

**85-7-1958. Power to contract with United States cumulative.** Sections 85-7-1951 through 85-7-1958 shall not limit the power and authority of an irrigation district or the commissioners thereof to contract with the United States under other applicable statutes but shall be cumulative thereto.

**History:** En. Sec. 9, Ch. 24, L. 1931; re-en. Sec. 7264.18, R.C.M. 1935; R.C.M. 1947, 89-2128.

### 85-7-1959 and 85-7-1960 reserved.

**85-7-1961. Districts organized prior to certain date — authority to continue electrical power operations.** (1) An irrigation district or project that was organized prior to March 30, 1981, under Title 85, chapter 7, is authorized to continue all electrical power operations it conducted prior to March 30, 1981.

(2) Electrical power operations authorized by subsection (1) of this section include generation, distribution, and sale of electrical power and the reasonable and necessary means to carry out such operations.

(3) In addition to the authority otherwise provided in this section and Title 85, chapter 7, irrigation districts or projects organized under Title 85, chapter 7, or described in 85-7-110, may construct, install, operate, and maintain facilities to generate, transmit, and sell, as well as any associated facilities necessary to that end, electricity using the water power potential of irrigation projects or works or federally owned water impoundment projects where electric power generation facilities have not heretofore been installed and licensed under the Federal Power Act.

**History:** En. Sec. 1, Ch. 179, L. 1981; amd. Sec. 1, Ch. 553, L. 1983.

**Cross-References**

Small power production facilities, Title 69, ch. 3, part 6.

### 85-7-1962 through 85-7-1970 reserved.

**85-7-1971. Contracts with the state of Montana — loans, sinking fund, and investments.** (1) The board of commissioners of any irrigation district, whenever considered advisable and in the interest of the district, may enter into any obligation or contract with the state of Montana for the purpose of obtaining a loan of money from various sources, including the coal severance tax bonding program provided for in Title 17, chapter 5, part 7, to be used by the district for:

(a) the liquidation of any bonded or outstanding indebtedness of the district; or

(b) the provision of any construction, improvement, or repair work necessary to place the irrigation system of the district in good operating condition.

(2) The board shall create, by proper levy and collection of assessments, a sinking fund that must be available for the construction of betterments to the irrigation system of the district as may be necessary during the term of any contract made with the state as provided for in subsection (1). The sinking fund must be designated the "... District Sinking Fund for Betterments" and must be created in such an amount and within such time as may be agreed upon between the district and the state of Montana.

(3) The board shall invest any surplus in the sinking fund in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal and state agency obligations.

**History:** **En. Sec. 1, Ch. 301, L. 1987.**

**85-7-1972. State contracts — assessments.** In any contract entered into between an irrigation district and the state of Montana under 85-7-1971 through 85-7-1975, the board of commissioners shall, in compliance with such contract, levy assessments against the lands benefited by the contract within the district, including such deficiency assessments as will enable the district to meet established or anticipated delinquencies in making payments to the state of Montana because of the failure of landowners to pay the assessments levied against their lands in the district.

**History:** **En. Sec. 2, Ch. 301, L. 1987.**

**85-7-1973. Amount owed the state — lien and special tax.** All amounts owed to the state under any contract made under 85-7-1971 through 85-7-1975 between the district and the state of Montana establish a general obligation of the district for payment, and any amounts to be paid to the state of Montana constitute a lien upon the irrigation system of the district. All lands now within the district or hereafter embraced within the district are subject to a special tax or assessment for the payment of all amounts owed to the state under such contract between the district and the state of Montana, and this special tax or assessment constitutes a first and prior lien on the land against which it is levied to the same extent and with the same force and effect as taxes levied for state and county purposes.

**History:** **En. Sec. 3, Ch. 301, L. 1987.**

**85-7-1974. Majority vote or petition necessary to contract with the state.** (1) No contract may be made between an irrigation district and the state of Montana under 85-7-1971 through 85-7-1975 except upon:

(a) approval by a majority vote of those voting on the question at an election conducted as prescribed in 85-7-1710; or

(b) receipt of a petition signed by at least 60% in number and acreage of the holders of title or evidence of title to lands within the district. Such petition must be addressed to the board of commissioners and must set forth the aggregate amount of money to be borrowed from various sources, including the coal severance tax bonding program provided for in Title 17, chapter 5, part 7, and the purpose for which the money will be used. The petition must include an affidavit certifying the signatures to the petition and must be filed with the secretary of the board of commissioners.

(2) In an election held for approval of a district contract under this section, the voting majority must own at least 50% of the acreage included in the district.

**History:** **En. Sec. 4, Ch. 301, L. 1987.**

**85-7-1975. State contracts — court approval required.** (1) The board of commissioners of an irrigation district, before the making of a contract with the state of Montana under 85-7-1971 through 85-7-1975, shall commence a special proceeding in the district court. In such proceeding, the proceedings of the board and of the district leading up to the making of the contract and the validity of the terms thereof must be judicially examined and approved or disapproved.

(2) The practice and procedure for the confirmation of any step or action provided for in subsection (1) must be as nearly as possible in conformity with the practice and procedure established for the confirmation before the issuance and sale of bonds of an irrigation district. The district court may approve such proceedings in part and declare illegal or invalid other parts of the proceedings. However, insofar as possible, the court shall remedy and cure all defects in the proceedings.

**History: En. Sec. 5, Ch. 301, L. 1987.**

## Part 20

## Indebtedness, Bonds, and Bankruptcy

**Part Cross-References**

Payment of funds — liability of officers, 20-9-444, 20-9-445.

Insurer's investment in bonds, 33-2-815.

**85-7-2001. Limitations on debt-incurring power.** (1) The board of commissioners or other officers of the district may not incur any debt or liability, either by issuing bonds or otherwise, except as provided in this chapter.

(2) An irrigation district may not become indebted, in any manner or for any purpose in any one year, in an amount exceeding 18.75% of the assessed valuation of the district, except as provided in subsection (4).

(3) An irrigation district may not incur indebtedness, in any manner or for any purpose in any one year, on behalf of any subdistrict in the district in an amount exceeding 18.75% of the assessed valuation of the subdistrict, except as provided in subsection (4).

(4) (a) For the purpose of organization; for any of the immediate purposes of this chapter; to make or purchase surveys, plans, and specifications; for stream gauging and gathering data; or to make any repairs occasioned by any calamity or other unforeseen contingency, the board of commissioners may, in any one year, incur the indebtedness of as many dollars as there are acres in the district and may issue warrants of the district.

(b) For the purpose of organization, for any of the immediate purposes of this chapter, or to meet the expenses occasioned by any calamity or other unforeseen contingency, the board of commissioners may, in any one year, incur (in addition to the 18.75% limitations of subsections (2) and (3)) an additional indebtedness not exceeding 12.5% of the assessed valuation of the district and may issue warrants of the district therefor.

(c) The limitations of subsections (1) through (3) do not apply to warrants issued for unpaid interest on the valid bonds of any irrigation district.

(d) The limitations of subsections (1) through (3) do not apply to bonds or obligations issued to the state of Montana, the United States, or any department, agency, or instrumentality of these governments if the bonds or obligations are issued:

(i) pursuant to a loan program specifically authorized by the legislature; or

(ii) to finance in whole or in part a project authorized by the legislature.

(e) The limitations of subsections (1) through (3) do not apply to any bonds issued under this chapter pursuant to a provision that expressly supersedes the limitation.

(5) Any debt or liability incurred in excess of the limitations provided by the irrigation district laws is void.

**History:** **En. Sec. 38, Ch. 146, L. 1909; amd. Sec. 1, Ch. 110, L. 1913; amd. Sec. 1, Ch. 127, L. 1913; re-en. Sec. 7208, R.C.M. 1921; re-en. Sec. 7208, R.C.M. 1935; amd. Sec. 32, Ch. 234, L. 1971; amd. Sec. 25, Ch. 460, L. 1977; R.C.M. 1947, 89-1701; amd. Sec. 63, Ch. 614, L. 1981; amd. Sec. 23, Ch. 193, L. 1987; amd. Sec. 14, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of (2) substituted "subsection (4)" for "subsection (2)"; inserted (3) relating to limitation on debt for subdistrict; in (4)(b) substituted "limitations of subsections (2) and (3)" for "limitation of subsection (1)"; in (4)(c) substituted "limitations of subsections (1) through (3) do not apply" for "limitation of subsection (1) does not apply"; in (4)(d) substituted "limitations of subsections (1) through (3) do not apply" for "limitation of subsection (1) does not apply" and at end inserted clause relating to obligations issued to government entities; inserted (4)(d)(i) relating to legislatively authorized loan programs; inserted (4)(d)(ii) relating to legislatively authorized projects; in (4)(e) substituted reference to subsections (1) through (3) for reference to subsection (1); deleted former (4) that read: "(4) The limitation of subsection (1) does not apply to state or federal bonds used for a project authorized by the legislature"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Sections 85-7-2001, 85-7-2011 through 85-7-2027, 85-7-2031, and 85-7-2032 not applicable to irrigation districts formed under Title 85, ch. 7, part 3, 85-7-304.

Failure to levy or collect tax assessment, 85-7-2137.

### 85-7-2002 through 85-7-2010 reserved.

**85-7-2011. Exemption of irrigation district property.** The bonds issued under the provisions of this part, rights-of-way, ditches, flumes, pipelines, dams, water rights, reservoirs, equipment, machinery, motor vehicles, and all other personal property belonging to any irrigation district organized under the laws of Montana and not operating for profit may not be taxed for state, county, or municipal purposes and may not be assessed costs for any improvement or maintenance district created under Title 7, chapter 12.

**History:** **En. Sec. 39, Ch. 146, L. 1909; re-en. Sec. 7209, R.C.M. 1921; re-en. Sec. 7209, R.C.M. 1935; amd. Sec. 2, Ch. 492, L. 1977; R.C.M. 1947, 89-1702; amd. Sec. 2, Ch. 276, L. 1987.**

**Cross-References**

Property tax exemptions, Art. VIII, sec. 5, Mont. Const.

**85-7-2012. Purposes for which bonds may be issued.** The board of commissioners of a district established under the provisions of Title 85, chapter 7, part 1, may authorize and issue negotiable fully registered bonds or negotiable coupon bonds of the district for the purpose of providing the necessary funds for:

(1) constructing the necessary irrigation canals and works, including drainage works, and constructing works for the generation and distribution of electricity within the district and for acquiring the property and rights necessary therefor;

(2) acquiring, by purchase or otherwise, waters, water rights, canals, reservoirs, reservoir sites, irrigation works, drainage works, and works for the generation and distribution of electricity, whether the works are constructed or partially constructed;

(3) meeting the expenses incurred incident to the construction or acquisition of the works and property, including administrative, engineering, and legal expenses;

(4) assuming, as principal or guarantor, indebtedness to the United States on account of district lands;

(5) providing a sufficient amount of money to pay the interest on all bonds of the district for a period not exceeding 5 years;

(6) redeeming or paying all or any portion of the existing indebtedness of the district, evidenced by outstanding bonds; delinquent interest coupons, overdue claims for interest, and accrued interest; or warrants, together with all delinquent and accrued interest, whether the indebtedness has or may become payable at the option of the district, by consent of the bondholders, or by any other lawful means;

(7) establishing a reserve for the payment of principal and interest on bonds of the district in an amount determined by the board to be reasonably required to market the bonds; or

(8) otherwise carrying out the provisions of the irrigation district laws.

**History: En. Sec. 40, Ch. 146, L. 1909; amd. Sec. 11, Ch. 145, L. 1915; amd. Sec. 7, Ch. 153, L. 1917; amd. Sec. 5, Ch. 116, L. 1919; re-en. Sec. 7210, R.C.M. 1921; amd. Sec. 7, Ch. 157, L. 1923; amd. Sec. 1, Ch. 185, L. 1929; re-en. Sec. 7210, R.C.M. 1935; amd. Sec. 26, Ch. 460, L. 1977; R.C.M. 1947, 89-1703(1); amd. Sec. 15, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In introductory clause, before "coupon bonds", inserted "fully registered bonds or negotiable"; in (5), before "bonds", deleted "negotiable coupon"; in (6) inserted "overdue claims for interest"; inserted (7) relating to establishment of a reserve for payment of bond principal and interest; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Amending or supplementing United States contracts — effect on indebtedness — petition not necessary, 85-7-2031, 85-7-2032.

Apportionment of costs when bonds issued, 85-7-2114.

**85-7-2013. Petition requirements.** (1) Bonds provided for in 85-7-2012 through 85-7-2015 may not be authorized or issued by or on behalf of any irrigation district organized under this chapter or by an irrigation district on behalf of a subdistrict located in the district and a contract may not be made with the United States as provided in 85-7-1906 except upon a petition signed by:

(a) at least 60%, in number and acreage, of the holders of title or evidence of title to lands included within the district or, if the bonds are issued on behalf of or if the contract relates to a subdistrict, at least 60% in number and acreage of the holders of title or evidence of title to lands within the subdistrict; or

(b) at least 75%, in number and acreage, of the holders of title or evidence of title to the lands who are residents of the county or counties in which lands of the district are situated or, if the bonds are issued on behalf of or if the contract relates to a subdistrict, at least 75% in number and acreage of the holders of title or evidence of title to the lands who are residents of the county or counties in which lands of the subdistrict are situated.

(2) The petition must be addressed to the board of commissioners, set forth the aggregate amount of bonds to be issued and the purpose or purposes of the bonds, have attached to it an affidavit verifying the signatures to the petition, and be filed with the secretary of the board. When bonds are issued for the sole purpose of redeeming or paying the existing and outstanding bonds or warrants, or both, including delinquent and accrued interest, of the

district, the bonds may be authorized and issued in the manner provided for by 85-7-2019.

**History:** **En. Sec. 40, Ch. 146, L. 1909; amd. Sec. 11, Ch. 145, L. 1915; amd. Sec. 7, Ch. 153, L. 1917; amd. Sec. 5, Ch. 116, L. 1919; re-en. Sec. 7210, R.C.M. 1921; amd. Sec. 7, Ch. 157, L. 1923; amd. Sec. 1, Ch. 185, L. 1929; re-en. Sec. 7210, R.C.M. 1935; amd. Sec. 26, Ch. 460, L. 1977; R.C.M. 1947, 89-1703(2); amd. Sec. 16, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) inserted clause relating to bonds issued on behalf of subdistrict; at end of (1)(a) and (1)(b) inserted clause referring to bonds or contract relating to subdistrict; in (2), at end of first sentence after "board", deleted "of commissioners"; and made minor changes in form and phraseology. Amendment effective April 4, 1989.

**85-7-2014. Procedure after petition filed.** Upon the filing of the petition, the board of commissioners shall, by appropriate order or resolution, authorize and direct the issuance of the bonds of the district to the amount and for the purpose or purposes specified in the petition; fix the numbers, denominations, and maturity or maturities of the bonds; specify the rate of interest on the bonds and whether payable annually or semiannually; designate the place and method of payment of the bonds and the interest on the bonds, within or outside the state of Montana; prescribe the form of the bonds; and provide for the levy of a special tax or assessment as provided in this chapter on all the lands in the district or for a levy on a subdistrict if the bonds are issued on behalf of the subdistrict, for the irrigation and benefit of which the district or subdistrict was organized and the bonds are issued or the contract is to be made, sufficient in amount to pay the interest on and principal of the bonds when due and all amounts to be paid to the United States under any contract between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906.

**History:** **En. Sec. 40, Ch. 146, L. 1909; amd. Sec. 11, Ch. 145, L. 1915; amd. Sec. 7, Ch. 153, L. 1917; amd. Sec. 5, Ch. 116, L. 1919; re-en. Sec. 7210, R.C.M. 1921; amd. Sec. 7, Ch. 157, L. 1923; amd. Sec. 1, Ch. 185, L. 1929; re-en. Sec. 7210, R.C.M. 1935; amd. Sec. 26, Ch. 460, L. 1977; R.C.M. 1947, 89-1703(3); amd. Sec. 17, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle substituted "designate the place and method of payment of the bonds and the interest on the bonds" for "designate the place of payment of the bonds and the interest coupons"; after "prescribe the form of the bonds" deleted "and interest coupons to be attached thereto"; in clause relating to levies added two references to subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Tax or assessment to pay bonds and interest, 85-7-2101.

**85-7-2015. Effect of contracting with United States.** If contract is to be made with the United States as provided in 85-7-1906 and bonds are not to be deposited with the United States in connection with the contract, the board of commissioners need not authorize the issuance of bonds, or if bonds are required in addition to the contract, the commissioners may authorize bonds only for the amount needed in addition to the contract. Such order or resolution shall also provide for the confirmation proceedings in the district court as provided in 85-7-2016 through 85-7-2018.

**History:** **En. Sec. 40, Ch. 146, L. 1909; amd. Sec. 11, Ch. 145, L. 1915; amd. Sec. 7, Ch. 153, L. 1917; amd. Sec. 5, Ch. 116, L. 1919; re-en. Sec. 7210, R.C.M. 1921; amd. Sec. 7, Ch. 157, L. 1923; amd. Sec. 1, Ch. 185, L. 1929; re-en. Sec. 7210, R.C.M. 1935; amd. Sec. 26, Ch. 460, L. 1977; R.C.M. 1947, 89-1703(4).**

**Cross-References**

Amending or supplementing United States contracts, 85-7-2031, 85-7-2032.

Apportionment of costs when bonds issued, 85-7-2114.

**85-7-2016. Confirmation by district court.** (1) Within 10 days after the adoption of the order or resolution mentioned in 85-7-2014, the board of commissioners shall file a petition in the district court of the judicial district where the office of the board is located to determine the validity of the proceedings relative to the issuance of the bonds and the levy of the special tax or assessment.

(2) Such action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested shall be had by giving notice. The petition shall set forth:

(a) generally, the establishment and organization of the district;

(b) a certified copy of the petition mentioned in 85-7-2013;

(c) a certified copy of the order or resolution mentioned in 85-7-2014;

(d) a prayer for the confirmation of the proceedings of the board stated in the petition and for the confirmation of the bond issue and the special tax or assessment levied to pay the bonds and interest thereon.

**History: En. Sec. 41, Ch. 146, L. 1909; re-en. Sec. 7211, R.C.M. 1921; amd. Sec. 1, Ch. 161, L. 1923; amd. Sec. 2, Ch. 185, L. 1929; re-en. Sec. 7211, R.C.M. 1935; amd. Sec. 27, Ch. 460, L. 1977; R.C.M. 1947, 89-1704(1), (2).**

**Cross-References**

Objection by landowner, 85-7-2115.

**85-7-2017. Hearing and procedure in the district court.** (1) Upon the filing of this petition in the district court, the court shall fix the time for the hearing of the petition, which may not be less than 15 days from the date of filing the petition in the court, and shall order the clerk of the court to give notice of the filing of the petition and the date of the hearing thereon by publication at least once a week for 2 calendar weeks in a newspaper published or of general circulation in the county where the office of the board of commissioners of the district is situated and also by posting a written or printed copy of such notice in at least three public places in each division of the district, the first of such publications and such posting to be not less than 15 days prior to the date fixed for the hearing.

(2) The notice shall state the substance of the petition and the time and place fixed for the hearing thereon and that any person interested in or whose rights may be affected by the issuance or sale of the bonds, the levy of the special tax or assessment, or the proceedings had or to be had by the board of commissioners with respect to such matters may, on or before the day fixed for the hearing of the petition, answer the petition and may appear at the hearing and contest the granting of the prayer of the petition and the entry of any order of confirmation.

(3) The provisions of Title 25 respecting the answer to a verified complaint are applicable to an answer to the petition. The persons so answering the petition are the defendants in the proceeding, and the board of commissioners is the plaintiff. Every material statement of the petition not specifically controverted by the answer shall be taken as true, and every holder of title or evidence of title to lands included in the district failing to answer the

petition shall be considered to admit as true all the material statements thereof. The procedure in such action shall be determined by Title 25.

(4) Any person interested in or whose rights may be affected by the issuance or sale of the bonds, the levy of the special tax or assessment, or the proceedings had or to be had by the board of commissioners of the district in connection with such matters and the entry of any order of confirmation may enter his appearance in such proceedings and answer the petition and contest the granting of the prayer of the petition.

**History:** **En. Sec. 41, Ch. 146, L. 1909; re-en. Sec. 7211, R.C.M. 1921; amd. Sec. 1, Ch. 161, L. 1923; amd. Sec. 2, Ch. 185, L. 1929; re-en. Sec. 7211, R.C.M. 1935; amd. Sec. 27, Ch. 460, L. 1977; R.C.M. 1947, 89-1704(3) thru (6).**

**85-7-2018. District court findings and order — appeal.** (1) Upon the hearing, the district court shall find and determine whether the provisions and requirements of the preceding section have been complied with and whether notice of the filing of the petition in the district court and of the time and place of the hearing has been given for the time and in the manner prescribed and may examine and determine the regularity, legality, and validity of the proceedings preliminary and relative to the issuance of the bonds and the levy of the special tax or assessment in the petition mentioned and the legality and validity of the bonds and special tax or assessment and all actions taken by the board of commissioners in connection with such matters and shall hear all objections filed to the proceedings or any part thereof or to the issuance of the bonds or the levy of the special tax or assessment or any portion thereof. The court, in inquiring into the regularity, legality, and validity of the proceedings, shall disregard any error, omission, or other irregularity which does not affect the substantial rights of the parties to the proceedings. The court may ratify, approve, and confirm the proceedings in whole or in part and may ratify, approve, and confirm the bonds and special tax or assessment and enter its judgment accordingly.

(2) From any such judgment, an appeal may be taken to the supreme court at any time within 10 days from the entry of the judgment. The appeal shall be taken, perfected, and heard in the manner prescribed by Title 25 covering appeals from district courts to the supreme court. If no appeal is taken in time or if taken and the judgment of the district court is affirmed by the supreme court, the judgment is final. The costs of the proceedings shall be allowed or apportioned between the parties in the discretion of the court.

**History:** **En. Sec. 41, Ch. 146, L. 1909; re-en. Sec. 7211, R.C.M. 1921; amd. Sec. 1, Ch. 161, L. 1923; amd. Sec. 2, Ch. 185, L. 1929; re-en. Sec. 7211, R.C.M. 1935; amd. Sec. 27, Ch. 460, L. 1977; R.C.M. 1947, 89-1704(7), (8).**

**Cross-References**

Appeals to Supreme Court, Title 25, ch. 21.

**85-7-2019. Refunding bonds.** (1) Any irrigation district may issue refunding bonds.

(2) An irrigation district may issue refunding bonds for the purpose of redeeming or paying the indebtedness or any portion of the indebtedness of the district, whether represented by existing and outstanding bonds, interest coupons, or warrants, including accrued and unpaid interest on the bonds, coupons, and warrants, and whether the indebtedness is due or not due or has

or may become payable at the option of the district, by consent of the bondholders or warrant holders, or by any other legal means and whether the indebtedness is now existing or may be created, and funds in the treasury of the district are not available for the payment of the indebtedness. The refunding bonds may be issued in one or more series. The petition for the refunding bonds must be signed as required by law by at least 60% in number and acreage of the holders of title or evidence of title to the lands included within the district, or by at least 60% in number and acreage of the holders of title or evidence of title to the lands within a subdistrict if the bonds to be refunded were issued by the district on behalf of the subdistrict, and addressed to the board of directors or commissioners of the district. The petition may contain the following specifications, in addition to the matters otherwise required by law:

(a) how many series of bonds shall be issued; and

(b) the terms, conditions, and liens of the bonds and the terms and conditions upon which each of the series of bonds shall be exchanged for outstanding bonds of the district if the bonds are to be exchanged and not sold.

(3) The specifications provided for in subsection (2), when set forth in the petition, are controlling upon the board of directors or commissioners. The petitioners shall in the specifications set forth the contract of exchange to be made, with particularity. The contract may include any term, requirement, grant, transfer of property or rights, covenant, or condition considered by the petitioners to be in the best interest of the district or of the subdistrict if the bonds that are the subject of the contract were issued by the district on behalf of the subdistrict. The petition shall state that the board of directors or commissioners of the district may authorize and direct the issuance of bonds according to the specifications of the petition, make any such contract, and bind the irrigation district under the contract.

**History: (1)En. Sec. 1, Ch. 155, L. 1929; re-en. Sec. 7226.1, R.C.M. 1935; amd. Sec. 19, Ch. 315, L. 1974; Sec. 89-1712, R.C.M. 1947; (2), (3)En. Sec. 2, Ch. 155, L. 1929; re-en. Sec. 7226.2, R.C.M. 1935; amd. Sec. 29, Ch. 460, L. 1977; Sec. 89-1713, R.C.M. 1947; R.C.M. 1947, 89-1712, 89-1713; amd. Sec. 18, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), near end of introductory clause, inserted language relating to petition requirements for subdistrict; near middle of (3) inserted clause relating to bonds or contract on behalf of subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2020. Details relating to bonds.** (1) All bonds issued under the provisions of this part shall run for a period not longer than 40 years from their date but may contain a clause providing for their prior redemption and payment, at the option of the board of commissioners of the district, on any interest payment date after 5 years from their date. Instead of straight maturity bonds, bonds may be issued to mature serially at such times and in such amounts as the board of commissioners shall determine, but no bonds so issued may run for a longer period than 40 years from the date of issue. The bonds shall bear interest from their date until paid, payable annually or semiannually with the installments of interest to date of maturity of principal to be evidenced by appropriate coupons attached to each bond. The bonds and interest coupons shall be payable at such place or places within or without the state of Montana as the board of commissioners shall prescribe.

(2) The bonds shall be of such denomination or denominations and in such form as the board of commissioners shall prescribe. An issue of bonds

is defined to be all the bonds issued in accordance with a resolution or order of the board of commissioners. Each issue of the bonds of a district shall be numbered consecutively as authorized, and the bonds of each issue shall be numbered consecutively. The board of commissioners shall fix the date of the bonds, or they may divide any issue into two or more divisions and fix different dates for the bonds of each division. The date of any bond must be subsequent to the order or resolution authorizing it and prior to its delivery to a purchaser from the district.

(3) All bonds issued hereunder shall be signed by the president and attested by the secretary of the board under the corporate seal of the district, and each of the interest coupons to be attached to the bonds shall be executed by the signatures of the president and secretary. Each bond shall be signed and each interest coupon shall be executed by the president and secretary of the board of commissioners who may be in office at the date of the bond and coupons or at any time thereafter prior to the delivery of the bond to the purchaser from the district.

(4) The board of commissioners may provide for the registration of bonds in their discretion. The secretary of the board of commissioners and county treasurer shall each keep a record of the bonds sold or otherwise disposed of; their date, number, amount, maturity, or maturities; to whom sold; rate of interest; and the place or places of payment.

**History: En. Sec. 42, Ch. 146, L. 1909; amd. Sec. 1, Ch. 17, Ex. L. 1919; re-en. Sec. 7212, R.C.M. 1921; amd. Sec. 8, Ch. 157, L. 1923; re-en. Sec. 7212, R.C.M. 1935; amd. Sec. 12, Ch. 260, L. 1959; amd. Sec. 33, Ch. 234, L. 1971; amd. Sec. 28, Ch. 460, L. 1977; R.C.M. 1947, 89-1705.**

**85-7-2021. Liens of bonds.** (1) All bonds issued under this chapter and all amounts to be paid to the United States under any contract between the district and the United States, accompanying which bonds of the district have not been deposited with the United States as provided in 85-7-1906, shall be a lien upon all the lands originally or at any time included in the district, or upon lands in a subdistrict if the bonds are issued on behalf of the subdistrict, for the irrigation and benefit of which the irrigation district or subdistrict was organized and the bonds were issued and for the benefit of which such contract between the district and the United States was made, except upon any lands as may at any time be included in the district or subdistrict on account of the exchange or substitution of water under the provisions of 85-7-1912; and all such lands are subject to a special tax or assessment for the payment of the interest on and principal of the bonds. All amounts to be paid to the United States under any contract between the district and the United States and the special tax or assessment constitute a first and prior lien on the land against which levied to the same extent and with like force and effect as taxes levied for state and county purposes.

(2) All liens created under this section remain upon the lands until the obligations of the district for the bonds are discharged, as provided by law or by the resolution of the board of commissioners authorizing their issuance.

**History: En. Sec. 43, Ch. 146, L. 1909; amd. Sec. 12, Ch. 145, L. 1915; amd. Sec. 8, Ch. 153, L. 1917; amd. Sec. 8, Ch. 116, L. 1919; re-en. Sec. 7213, R.C.M. 1921; re-en. Sec. 7213, R.C.M. 1935; amd. Sec. 1, Ch. 190, L. 1973; R.C.M. 1947, 89-1706; amd. Sec. 19, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in three places, inserted references to subdistrict; in (2) substituted language relating to discharge of bond obligations for "All liens herein created remain upon the lands for a period of 8 years after the date of maturity of the obligation. Thereafter, the lands and the titles thereto shall be free from any such liens"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Added lands to pay proportional share of bonded indebtedness, 85-7-2102.

**85-7-2022. Sale of bonds.** Bonds issued under the provisions of this part shall be issued, negotiated, and sold by or under the direction of the board of commissioners but shall never be sold for less than 90% of their par value and accrued interest thereon to date of delivery. The board may sell said bonds from time to time in such quantities as may be necessary and most advantageous to raise money for the purposes for which said bonds were issued.

**History: En. Sec. 44, Ch. 146, L. 1909; amd. Sec. 13, Ch. 145, L. 1915; re-en. Sec. 7214, R.C.M. 1921; amd. Sec. 9, Ch. 157, L. 1923; re-en. Sec. 7214, R.C.M. 1935; R.C.M. 1947, 89-1707(1).**

**85-7-2023. Notice of sale of bonds.** Except as provided in 85-7-2033, before making any sale the board shall, by resolution at a meeting, declare its intention to sell a specified amount of the bonds and the day and hour and place of sale. The board shall cause the resolution to be entered in the minutes and notice of the sale to be given by publication at least once a week for 3 successive calendar weeks in a newspaper in the county where the office of the board of commissioners is located, and the notice may be published in any other newspaper at the board's discretion. The notice shall state that sealed proposals will be received by the board at its office, for the purchase of bonds, until the day and hour named in the resolution. At the time appointed the board shall open the proposals and award the purchase of the bonds or any portion or portions thereof to the highest responsible bidder or bidders. The board may reject any or all bids. In case no award is made, the board may either readvertise the bonds or any part of the bonds for sale or sell the bonds or any part of the bonds at private sale. Coupons evidencing unearned interest must be detached and canceled.

**History: En. Sec. 44, Ch. 146, L. 1909; amd. Sec. 13, Ch. 145, L. 1915; re-en. Sec. 7214, R.C.M. 1921; amd. Sec. 9, Ch. 157, L. 1923; re-en. Sec. 7214, R.C.M. 1935; R.C.M. 1947, 89-1707(2); amd. Sec. 20, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning of first sentence inserted exception clause; at end of second sentence substituted "and the notice may be published in any other newspaper at the board's discretion" for "and in any other newspaper within or without the state at its discretion"; and made minor changes in punctuation and phraseology. Amendment effective April 4, 1989.

**85-7-2024. Issuance of bonds for direct contract payments.** Any bonds issued hereunder may, in the discretion of the board of commissioners, be issued direct in payment and satisfaction of the contract or purchase price of any irrigation works, canals, water, water rights, or other property constructed or acquired by or for the district or may be deposited with the United States as provided in 85-7-1906.

**History: En. Sec. 44, Ch. 146, L. 1909; amd. Sec. 13, Ch. 145, L. 1915; re-en. Sec. 7214, R.C.M. 1921; amd. Sec. 9, Ch. 157, L. 1923; re-en. Sec. 7214, R.C.M. 1935; R.C.M. 1947, 89-1707(3).**

**85-7-2025. Cancellation of unused bonds.** Any bonds which may have been authorized but which have not been sold or deposited as security for funds advanced or to be advanced and against which the state, United States, or any other person, firm, or corporation shall have no claim to or equity in may be canceled by the board of commissioners by appropriate resolution or order. After the cancellation of said bonds, the same shall not be sold or otherwise disposed of and shall be invalid and of no effect, and the board shall have no authority to replace such canceled bonds without an authorization from the members of the district similar to that which provided for their issuance.

**History: En. Sec. 44, Ch. 146, L. 1909; amd. Sec. 13, Ch. 145, L. 1915; re-en. Sec. 7214, R.C.M. 1921; amd. Sec. 9, Ch. 157, L. 1923; re-en. Sec. 7214, R.C.M. 1935; R.C.M. 1947, 89-1707(4).**

**Cross-References**

Cancellation of tax levy under certain conditions, 85-7-2105.

**85-7-2026. Delivery of bonds.** If bonds are sold for cash, they shall be delivered by the board of commissioners to the county treasurer of the county in which the office of the district is located. The county treasurer, after making a complete record of them, shall deliver them to the purchaser upon receipt of the purchase price. Delivery of the bonds may be made by the county treasurer to the purchaser at any place or places inside or outside this state, and the county treasurer may receive the proceeds of the sale of the bonds at the place or places of delivery.

**History: En. Sec. 45, Ch. 146, L. 1909; re-en. Sec. 7215, R.C.M. 1921; amd. Sec. 10, Ch. 157, L. 1923; re-en. Sec. 7215, R.C.M. 1935; amd. Sec. 1, Ch. 258, L. 1967; amd. Sec. 145, Ch. 431, L. 1975; R.C.M. 1947, 89-1708(part).**

**Cross-References**

Proceeds of certain bonds, 85-7-2141.

**85-7-2027. Disposition of bond proceeds.** The county treasurer shall place the proceeds of the sale to the credit of the district, and the proceeds shall be paid out by the county treasurer only upon the written order of the board of commissioners, signed by the president and secretary under the seal of the district. The proceeds shall be spent only for the purpose for which the bonds were issued. If any portion of the funds realized from the sale of bonds is not needed immediately for the purpose for which the bonds were issued, the board of commissioners may direct the investment of the funds and any other surplus funds of the district or any portion thereof in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal and state agency obligations. The county treasurer shall transfer to the credit of the district and place to the credit of the fund or funds, as the board of commissioners may direct, all interest received upon investments of the district entrusted to his care.

**History: En. Sec. 45, Ch. 146, L. 1909; re-en. Sec. 7215, R.C.M. 1921; amd. Sec. 10, Ch. 157, L. 1923; re-en. Sec. 7215, R.C.M. 1935; amd. Sec. 1, Ch. 258, L. 1967; amd. Sec. 145, Ch. 431, L. 1975; R.C.M. 1947, 89-1708(part); amd. Sec. 7, Ch. 274, L. 1981; amd. Sec. 1, Ch. 287, L. 1983; amd. Sec. 2, Ch. 166, L. 1987.**

**85-7-2028 through 85-7-2030 reserved.**

**85-7-2031. Amending or supplementing United States contracts — effect on indebtedness.** The board of commissioners of any irrigation district established and organized under and by virtue of the laws of Montana, whenever deemed advisable and to the interests of the district, shall have the power and authority to enter into any contract with the United States supplementing or amending any original contract with the United States, said original contract having been entered into pursuant to the provisions of 85-7-1906 and 85-7-2012 through 85-7-2018; provided, that such supplementary or amendatory contract does not increase the amount of the principal indebtedness of the district to the United States as it exists at the date of the supplementary or amendatory contract authorized under the provisions of 85-7-2012 through 85-7-2015.

**History:** **En. Sec. 1, Ch. 71, L. 1933; re-en. Sec. 7215.1, R.C.M. 1935; R.C.M. 1947, 89-1709.**

**85-7-2032. Amending or supplementing United States contracts — petition not necessary.** In case any supplementary or amendatory contract shall be made with the United States hereunder, no petition as required by 85-7-2012 through 85-7-2015 shall be necessary, nor shall the board of commissioners of such irrigation district be required to proceed under 85-7-2016 through 85-7-2018 for a judicial confirmation of the making of such contract and the terms thereof. It shall be sufficient in the case of a contract made with the United States hereunder for the board of commissioners of any irrigation district to authorize the execution of the same by its president and secretary by appropriate resolution adopted at any regular or special meeting of said board of commissioners.

**History:** **En. Sec. 2, Ch. 71, L. 1933; re-en. Sec. 7215.2, R.C.M. 1935; R.C.M. 1947, 89-1710.**

**85-7-2033. Private sale of bonds to certain governmental entities.** The district may sell bonds issued under this part to the United States, the state of Montana, or any agency, department, or instrumentality of these governments by negotiation and without public advertisement or solicitation of bids.

**History:** **En. Sec. 7, Ch. 439, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 36, Ch. 439, L. 1989, provided that this section is effective April 4, 1989.

**85-7-2034 through 85-7-2040 reserved.**

**85-7-2041. Bankruptcy proceedings by irrigation districts.** (1) The board of commissioners or directors of any irrigation district may, in the name and on behalf of such district, initiate and carry out proceedings for readjustment of the debts of such district, under Chapter IX of the federal Bankruptcy Act or similar provisions of any past or future federal bankruptcy act.

(2) This section is remedial in its nature and shall be liberally construed to effect its purpose, which is to permit irrigation districts to readjust their debts under federal bankruptcy acts and to confer upon the board of commissioners or directors thereof every power necessary therefor or reasonably incidental thereto.

**History:** **En. Secs. 1, 2, Ch. 110, L. 1939; R.C.M. 1947, 89-1903(part), 89-1904.**

**Cross-References**

Exempt property — bankruptcy proceeding, 31-2-106.

## Part 21

## Taxes and Assessments

**85-7-2101. Tax or assessment to pay bonds and interest.** (1) All bonds and the interest thereon issued under this chapter and all payments due or to become due to the United States under any contract between the district and the United States for which the bonds of the district have not been deposited with the United States as provided in 85-7-1906 must be paid by revenue derived from a special tax or assessment levied upon all the lands included in the district, or upon all lands in a subdistrict of the district if the bonds are issued by the district on behalf of the subdistrict, except upon those lands that have been included in the district or subdistrict on account of the exchange or substitution of water under the provisions of 85-7-1912. All lands in the district, or in a subdistrict if the bonds are issued on behalf of the subdistrict, at the time the bonds are issued and all lands subsequently included which are chargeable under the provisions of this chapter remain liable to be taxed and assessed for the payment of the bonds and interest and all payments due or to become due to the United States under any contract between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906.

(2) The board of commissioners of the district, in the order or resolution authorizing and directing the issuance of bonds of the district mentioned in 85-7-2014, shall provide for the annual levy and collection of a special tax or assessment upon all the lands included in the district, or in a subdistrict if the bonds are to be issued on behalf of the subdistrict, and subject to taxation and assessment, sufficient in amount to meet the interest on the bonds promptly when and as the interest accrues and to discharge the principal of the bonds at their maturity or respective maturities and to meet all payments due or to become due to the United States under any contract between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906, at the times the payments by the contract become due and payable.

**History: En. Sec. 46, Ch. 146, L. 1909; amd. Sec. 14, Ch. 145, L. 1915; re-en. Sec. 7232, R.C.M. 1921; re-en. Sec. 7232, R.C.M. 1935; amd. Sec. 34, Ch. 234, L. 1971; amd. Sec. 30, Ch. 460, L. 1977; R.C.M. 1947, 89-1801(part); amd. Sec. 21, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in three places, inserted references to subdistrict; in (2) inserted clause relating to bonds issued on behalf of subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Proceeds of certain bonds, 85-7-2141.

**85-7-2102. Added lands to pay proportional share of bonded indebtedness.** (1) Where a district or subdistrict is extended after the construction of works of irrigation, including drainage works, to include other irrigable lands, the included lands are chargeable with the proportion of the bonded indebtedness incurred or authorized to be incurred by any district or subdistrict and the proportion of the indebtedness incurred under any contract between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906, as the district court shall order, as provided in 85-7-1808 through 85-7-1811 and 85-7-1841 through 85-7-1845. The board of commissioners of the district shall provide for the levy of a special tax or assessment against the included lands on account of the bonds and the interest on the bonds and on account of any payments under any contracts between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906.

(2) The special tax or assessment shall be levied and collected as and in the manner as the special tax assessment against the lands of the original district or subdistrict on account of the payments under any contract between the district and the United States for which bonds of the district have not been deposited with the United States as provided in 85-7-1906, and on account of which the bonds and the interest on the bonds is provided for, levied, and collected. Upon the extending of any district or subdistrict, the total of the bond indebtedness or indebtedness due to the United States shall be reapportioned, spread, and equalized upon and over the entire area, as provided in 85-7-2021.

**History: En. Sec. 47, Ch. 146, L. 1909; amd. Sec. 15, Ch. 145, L. 1915; amd. Sec. 9, Ch. 153, L. 1917; amd. Sec. 7, Ch. 116, L. 1919; re-en. Sec. 7233, R.C.M. 1921; re-en. Sec. 7233, R.C.M. 1935; R.C.M. 1947, 89-1802; amd. Sec. 22, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section inserted references to subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2103. All irrigable lands chargeable alike.** (1) All irrigable lands in each irrigation district and all lands in each subdistrict of the district, except those lands that are included within the district because of the exchange or substitution of water under the provisions of 85-7-1912, shall pay at the same rate for all purposes for which the lands are charged, except as otherwise provided by law. There may be an administrative charge of $5 to $25 against each separately owned tract of land regardless of its size, as provided in 85-7-2104.

(2) Whenever water used for the irrigation of any lands within an irrigation district or subdistrict is obtained by pumping to different elevations, the cost of maintenance, operation, and pumping to each separate elevation shall be apportioned and levied upon the lands lying under the ditch or ditches running from that particular elevation, in a manner as may be determined fair and equitable by the board of commissioners after considering the facts in each case. This apportionment must be made by the board of commissioners and included each year in the assessment provided for by 85-7-2104. The amount of the assessment for maintenance, operation, and pumping of water to each separate elevation, whenever there are different elevations, must be determined by the board in a manner and upon notice to the persons interested in the district or subdistrict as the board in its rules may provide.

(3) Whenever a contract has been made with the United States, the lands within the district or of a subdistrict if the contract substantially benefits the

subdistrict, whether originally included or later annexed to the district or subdistrict, shall pay in accordance with the federal reclamation laws and the public notices, orders, and regulations issued under the reclamation laws and in compliance with any contracts made by the United States with the owners of the lands and in compliance with the contract between the districts and the United States.

(4) Whenever a contract has been made with the state of Montana, the lands within the district or of a subdistrict if the contract substantially benefits the subdistrict, whether originally included or later annexed to the district or subdistrict, shall pay in accordance with state laws and public notices and rules issued under the laws and in compliance with any contract made by the state with the owners of the lands and in compliance with the contract between the district and the state.

(5) Whenever the works necessary for the completed project are constructed progressively over a period of years and whenever a portion of the lands within the district are or can be irrigated 1 year or more before the completion of the entire project, those lands irrigated or that can be irrigated through the built portion of the project shall pay for the cost of operating that portion of the project serving them with irrigation water and also shall pay the portion of the interest charges as its irrigable area bears to the irrigable area of the entire project.

(6) Whenever lands have appurtenant thereto a partial water right or partial rights in a system of irrigation other than that of the district or subdistrict, the amounts payable must be equitably apportioned.

(7) Whenever the owners of a portion of the lands within an irrigation district choose to install a gravity system to irrigate those lands, the cost of constructing the gravity system must be apportioned among and levied upon the lands irrigated by the gravity system in a manner determined to be equitable by the board. The levy must be included each year in the assessment charged under 85-7-2104.

**History:** **En. Sec. 48, Ch. 146, L. 1909; amd. Sec. 10, Ch. 153, L. 1917; amd. Sec. 1, Ch. 158, L. 1921; re-en. Sec. 7234, R.C.M. 1921; amd. Sec. 18, Ch. 157, L. 1923; amd. Sec. 1, Ch. 136, L. 1925; re-en. Sec. 7234, R.C.M. 1935; amd. Sec. 1, Ch. 135, L. 1961; amd. Sec. 31, Ch. 460, L. 1977; R.C.M. 1947, 89-1803; amd. Sec. 1, Ch. 586, L. 1979; amd. Sec. 1, Ch. 330, L. 1983; amd. Sec. 23, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning of (1) inserted reference to lands in each subdistrict; in (2), in two places, inserted reference to subdistrict and after "board" deleted "of commissioners"; in (3) inserted clause relating to contracts benefiting subdistrict and inserted reference to subdistrict; in (4) inserted clause relating to contracts benefiting subdistrict and inserted reference to subdistrict; in (6) inserted reference to subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2104. Annual tax levy — apportionment when tracts divided.** (1) (a) On or before the second Monday in July each year, the board of commissioners of each irrigation district organized under parts 1 and 15 shall ascertain:

(i) the total amount required to be raised in that year for the general administrative expenses of the district, including the cost of maintenance and repairs; and

(ii) the total amount to be raised that year for interest on and principal of the outstanding bonded or other indebtedness of the district for which bonds of the district have not been deposited with the United States as provided in 85-7-1906.

(b) The board shall levy against each 40-acre tract or fractional lot, as designated by United States government survey, or platted lot if land is subdivided in lots and blocks (or where land is owned in less than 40-acre tracts or in less than the platted lot, against each tract) of land in the district, that portion of the respective total amounts to be raised which the total irrigable area of any tract or lot bears to the total irrigable area of the lands in the district, so that each acre of irrigable land in the district must be assessed and required to pay the same amount as every other acre of irrigable land therein, unless otherwise specifically provided by the board. The board may charge $5 to $25 against each separately owned tract of land, regardless of its size.

(c) Indebtedness under subsection (1) includes debt incurred under any contract between the district and the United States but excludes any indebtedness incurred by the district on behalf of a subdistrict.

(2) (a) On or before the second Monday in July each year, the board of commissioners of each irrigation district organized under parts 1 and 15 for which a subdistrict has been created pursuant to 85-7-404 shall determine the total amount to be raised that year for interest and principal payments on the outstanding bonded or other indebtedness of the district incurred on behalf of the subdistrict.

(b) The board shall levy against each 40-acre tract or fractional lot, as designated by United States government survey, or platted lot if land is subdivided in lots and blocks (or where land is owned in less than 40-acre tracts or in less than the platted lot, against each tract) in the subdistrict, the portion of the total amount to be raised apportioned according to the ratio of the total irrigable area of the tract or lot to the total irrigable area of the lands in the subdistrict, so that each acre of irrigable land in the subdistrict is assessed and required to pay the same amount as every other acre of irrigable land in the subdistrict, unless otherwise specifically provided by the board. The board may charge $5 to $25 against each separately owned tract or lot of land, regardless of its size.

(3) In the event that the ownership of any 40-acre tract or other subdivision of land in the district or subdistrict is divided after a special tax or assessment against the land has been levied, each of the owners of a tract or subdivision is entitled to have the special tax or assessment equitably apportioned to and against the divisions of the tract or subdivision, so that each owner is enabled to pay a special tax or assessment against his portion of the tract or subdivision and have the land discharged from the lien. In no event shall the charge against any separately owned tract of land be less than $5.

**History: En. Sec. 49, Ch. 146, L. 1909; amd. Sec. 16, Ch. 145, L. 1915; amd. Sec. 1, Ch. 148, L. 1921; re-en. Sec. 7235, R.C.M. 1921; amd. Sec. 19, Ch. 157, L. 1923; re-en. Sec. 7235, R.C.M. 1935; amd. Sec. 2, Ch. 135, L. 1961; amd. Sec. 1, Ch. 51, L. 1973; R.C.M. 1947, 89-1804(1), (2); amd. Sec. 2, Ch. 586, L. 1979; amd. Sec. 2, Ch. 330, L. 1983; amd. Sec. 24, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(a)(ii), after "district", substituted "for" for "including any indebtedness incurred under any contract between the district and the United States, accompanying"; in first sentence of (1)(b), after "United States", substituted "government survey" for "public survey", before "bears" substituted "any tract or lot" for "any such tract", at end inserted "by the board", and near beginning of second sentence substituted "The board may charge" for "The board of commissioners may make a charge of"; inserted (1)(c) relating to exclusion of indebtedness incurred on behalf of a subdistrict; inserted (2) relating to special levies on property owners within a subdistrict; near beginning of (3) substituted "district or subdistrict is divided" for "district shall be divided"; and made minor changes in form and phraseology. Amendment effective April 4, 1989.

**Cross-References**

United States contracts — cancellation of assessment on amended contracts, 85-7-2118.

**85-7-2105. Cancellation of tax levy under certain conditions.** Whenever the board of commissioners has provided for the payment of any indebtedness of the district by levy of a special tax or assessment and thereafter makes provision for the payment of said indebtedness by the issuance of bonds, said board may cancel any portion or all of said levy theretofore made to raise funds to pay said indebtedness. Whenever said board has provided for the payment of any indebtedness of the district by the authorization of bonds and the levy of a special tax or assessment to pay the principal of and interest on said bonds and thereafter cancels said issue of bonds as provided for in 85-7-2025, said board may cancel any portion or all of said levy theretofore made to raise funds to pay the principal of or interest on said bonds so canceled and refund to the respective persons paying the same the funds, if any, in the custody of the county treasurer collected for the purpose of meeting the principal of and interest on such bonds so canceled.

**History: En. Sec. 49, Ch. 146, L. 1909; amd. Sec. 16, Ch. 145, L. 1915; amd. Sec. 1, Ch. 148, L. 1921; re-en. Sec. 7235, R.C.M. 1921; amd. Sec. 19, Ch. 157, L. 1923; re-en. Sec. 7235, R.C.M. 1935; amd. Sec. 2, Ch. 135, L. 1961; amd. Sec. 1, Ch. 51, L. 1973; R.C.M. 1947, 89-1804(3).**

**85-7-2106. Back assessments.** Any land or lands which may for any reason have escaped assessment in any previous year or years may be assessed or listed for the omitted years and omitted charges in any subsequent year at the time of the making of the assessment in and for such subsequent year, but no such assessment shall be made later than 3 years after the occurrence of such omission.

**History: En. Sec. 49, Ch. 146, L. 1909; amd. Sec. 16, Ch. 145, L. 1915; amd. Sec. 1, Ch. 148, L. 1921; re-en. Sec. 7235, R.C.M. 1921; amd. Sec. 19, Ch. 157, L. 1923; re-en. Sec. 7235, R.C.M. 1935; amd. Sec. 2, Ch. 135, L. 1961; amd. Sec. 1, Ch. 51, L. 1973; R.C.M. 1947, 89-1804(4).**

**Cross-References**

United States contracts — cancellation of assessment on amended contracts, 85-7-2118.

**85-7-2107. Procedure for the determination of irrigable area.** (1) For the purpose of determining the number of acres of irrigable lands in each 40-acre tract or fractional lot as designated by United States government survey or platted lot, if land is subdivided in lots and blocks (or whenever land is owned in less than 40-acre tracts or in less than the platted lot, in each tract) of land in the district or subdistrict, the board of commissioners of any irrigation district established under part 1, whenever considered advisable and at any time except as otherwise provided, may cause a careful topographical survey and map of the lands to be made, as well as a specific examination of the character of the soil of each tract. Upon completion of the survey and maps and examination, the board shall give notice that at a meeting of the board, to be held at the office of the board on a day to be fixed in the notice, the board will determine the irrigable area of each tract of land in the district or subdistrict and that it will hear and consider any objection on the part of any landowner in the district, or in a subdistrict if only the irrigable area of the subdistrict is being determined, to the determination and to adjustment of the irrigable area of the district or subdistrict or of any lands within any tract or subdivision of the district or subdistrict. It is not necessary to describe the tracts in the notice. The notice must be given by publication once a week for 2 successive calendar weeks in a newspaper of general circulation in the county where the office of the board is located, and whenever lands of any irrigation district or subdistrict lie in more than one county, the notice must also be published in a newspaper or newspapers of general circulation in each county. The last publication of the notice must be at least 5 days prior to the date fixed for the meeting.

(2) At the meeting, the board shall determine and fix the number of acres in each tract or subdivision irrigable from the works or proposed works of the district or subdistrict and shall hear all persons interested who may appear and shall continue in session from day to day (exclusive of Sundays and legal holidays) as long as may be necessary and until the determination of irrigable area is completed. The board shall hear and receive all evidence offered, including maps and surveys caused to be prepared by it as well as maps and surveys prepared by any owner of lands. Upon determination, the irrigable area fixed is the acreage upon which any special tax or assessment must be levied, and each irrigable acre shall pay at the same rate as every other acre of irrigable land in the district or subdistrict, except as otherwise provided by law.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(part); amd. Sec. 25, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section inserted references to subdistrict; in (1), near beginning of first sentence after "United States", substituted "government survey" for "public survey" and near middle of second sentence inserted clause relating to irrigable area of a subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Legal holidays, 1-1-216.

**85-7-2108. Taxes to be lien upon land.** Any special tax or assessment levied for any purpose is a lien upon the entire 40-acre tract or fractional lot as designated by United States government survey or platted lot, if land is subdivided in lots and blocks (or whenever land is owned in less than 40-acre tracts or in less than the platted lot, against each such tract) of land in the district or subdistrict of which the irrigable area forms a part, and the lien shall attach to the entire tract as of January 1 in the year in which the special tax or assessment is levied.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(part); amd. Sec. 26, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning, after "United States", substituted "government survey" for "public survey" and near end inserted "or subdistrict"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**Cross-References**

Liens, Title 71, ch. 3.

**85-7-2109. List of all lands in district or subdistrict to be prepared.** Upon completing the determination, the board shall fix, by appropriate resolution or order, the total acreage and the irrigable acreage of each tract or subdivision and shall prepare a list of all lands in the district or subdistrict. The list must contain an accurate description of each 40-acre tract or fractional lot as designated by United States government survey or platted lot, if land is subdivided in lots and blocks (or whenever land is owned in less than 40-acre tracts or in less than the platted lot, then of each such tract) of land in the district or subdistrict, the total acreage and the number of irrigable acres as fixed and determined, and the name of the owner or holder of title or evidence of title, ascertained as provided in 85-7-101 and 85-7-102. This list, when completed and adopted, must be filed in the office of the board and shall remain there for public inspection. A certified copy of the resolution and list must be filed with the county clerk and recorder of each county in which any portion of the lands in the district is situated. The lands not situated in the county in which the copy is filed must be omitted from the copy.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(3); amd. Sec. 27, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In two places inserted references to subdistrict; in second sentence, after "United States", substituted "government survey" for "public survey"; in third sentence, after "board", deleted "of commissioners"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2110. Nonirrigable lands not to be taxed.** A special tax or assessment may not be levied against any 40-acre tract or fractional lot as designated by United States public survey or platted lot, if land is subdivided in lots and blocks (or whenever lands are owned in less than 40-acre tracts or in less than the platted lot, against each such tract) found by the board of commissioners to contain no irrigable land. A lien created after the order of determination may not attach to any nonirrigable tract, nor may the owner or owners of any nonirrigable tract or tracts have any vote or votes in any proceeding or election under the provisions of Chapter 146 of the Laws of 1909 or any amendment thereof or act supplementary thereto, after the making of the order, unless their land or a portion of their land is found by the board to contain an area irrigable from the works or proposed works of the district or subdistrict.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(4); amd. Sec. 28, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end inserted "or subdistrict"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2111. Refunds and cancellation of excess taxes.** Upon the determination provided for in 85-7-2107 through 85-7-2113, the board of commissioners may refund any taxes paid or cancel any unpaid taxes or assessments levied upon an acreage in excess of that so fixed by the order of determination and whenever necessary may issue warrants therefor.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(5).**

**85-7-2112. Confirmation of board actions by district court.** (1) Within 60 days after the resolution adopting the list, the board of commissioners may petition the district court for confirmation of its acts in determining the irrigable area and in refunding or canceling any taxes or assessments. The majority in number and acreage of the holders of title or evidence of title to lands in the district or the majority in number and acreage of the holders of title or evidence of title in the subdistrict if only the irrigable area of the subdistrict is to be reviewed, determined as provided in 85-7-101 and 85-7-102, may likewise within the 60-day period petition the district court for review of the actions of the board. However, one of these proceedings, if prosecuted to determination, is exclusive of the other. The court may order any assessment of taxes upon any land or lands to be reduced or raised according to the irrigable area as found by the court or taxes previously levied upon any area shown to be excessive to be refunded or canceled.

(2) The provisions of 85-7-1808 through 85-7-1810 regarding the procedure as well as the right and time to appeal apply to any proceeding instituted pursuant to this section, provided nothing in this section affects or impairs the lien of any bonds issued by the district. If confirmation proceedings are held and a certified copy of the order of confirmation is filed with the county clerk and recorder of the county in which any portion of the lands is situated, it is not necessary to file in the office the certified copy of the resolution and order of the board or of the list provided for in this section.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(6), (7); amd. Sec. 29, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in middle of second sentence, inserted clause relating to review of irrigable area of subdistrict, substituted "determined" for "ascertained", after "board" deleted "of commissioners", and at beginning of fourth sentence deleted "Upon such proceeding"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2113. Effect of federal involvement.** Whenever districts have been established in order to cooperate with the United States under the federal reclamation laws or under any act of congress which permits the performance by the United States of work in this state, for the purposes of construction of irrigation works, including drainage works, or for purchase, extension, operation, or maintenance of construction works or for the assumption as principal or guarantor of indebtedness to the United States on account of district lands, the determination of the irrigable area of the lands in the district may be made by the board of commissioners in the manner provided in 85-7-2107 through 85-7-2112 or by the United States at the option of the latter, and, if the United States determines the irrigable area, the proceeding for the apportionment and distribution of the costs of the proposed works or improvements provided for in 85-7-2114 through 85-7-2116 may not be had.

**History: En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.1, R.C.M. 1935; amd. Sec. 22, Ch. 388, L. 1975; amd. Sec. 32, Ch. 460, L. 1977; R.C.M. 1947, 89-1805(8).**

**85-7-2114. Apportionment of costs when bonds issued.** (1) Whenever a petition for the issuance of bonds of any irrigation district established under the provisions of part 1 has been filed as provided in 85-7-2012 through 85-7-2015, the board of commissioners of the district shall examine or cause to be examined each 40-acre tract or fractional lot as designated by United States public survey or platted lot, if land is subdivided in lots and blocks (or whenever land is owned in less than 40-acre tracts or in less than the platted lot, each such tract) of land in the district or of land in a subdistrict if the bonds are to be issued on behalf of the subdistrict, and cause a careful topographical survey and map to be made in the manner provided for in 85-7-2107. Upon the examination, the board shall determine the number of irrigable acres in each tract and shall apportion and distribute the cost of the works or improvements for which the bonds are to be issued over the tracts within the district or subdistrict according to the irrigable area in each of the tracts or subdivisions, so that each irrigable acre is required to bear the same burden of such costs as each other irrigable acre in the district or subdistrict, except as otherwise provided by law. The special tax or assessment levied to meet the principal of and interest on the bonds is a lien upon the entire tract of which the irrigable area forms a part or portion as of January 1 of the year in which the special tax or assessment is levied, and the number of irrigable acres in each tract so determined may not be diminished but may be increased during the term for which the bonds are issued or until the bonds are liquidated in full.

(2) Whenever a proceeding for the determination, in whole or in part, of the irrigable area of the lands in the district or subdistrict has already been had or a topographical survey or maps thereof prepared or a court confirmation of prior proceedings had, in part or in full, the board may, in its discretion, adopt all or portions of the prior proceedings and need not cause an additional survey or maps or examination of any of the tracts to be made or redetermine the irrigable area of any tract.

(3) The board shall make the determination after the hearing and shall fix the total acreage and the irrigable acreage and shall prepare a list of the irrigable area for filing, and the proceedings of the board in connection with the determination, including the hearing and notice of the hearing and order or resolution fixing the irrigable area and the preparation and filing of the list, shall conform to the requirements set forth in 85-7-2107 through 85-7-2113. At the hearing, the board shall also determine the amount and rate per acre necessary to be levied against each irrigable acre in the district to meet the interest on and principal of the authorized bond issue. The tax levied is a lien upon the entire tract of which the irrigable area forms a part. If any landowner in the district or subdistrict appears before the board at that time and pays in cash the amount fixed against his land as its proportion of the amount found necessary for the purposes for which the bonds were authorized and are to be issued, his land must be excluded from the lien of the bond issue and the amount of bonds intended to be issued shall be reduced by the amount of the payment. Any person interested who fails to appear before the board at the meeting may not thereafter contest the proceedings of the board or any part thereof, except upon special application to the court in the proceedings for the confirmation of the bonds and a showing of reasonable excuse for failure to appear before the board.

**History:** **En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.2, R.C.M. 1935; amd. Sec. 23, Ch. 388, L. 1975; amd. Sec. 33, Ch. 460, L. 1977; R.C.M. 1947, 89-1806(1) thru (3); amd. Sec. 30, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Throughout section inserted reference to subdistrict; in (1), near end of first sentence, inserted clause relating to land in a subdistrict and near beginning of third sentence, after "interest on the bonds", deleted "so authorized"; in (3), near beginning of first sentence, substituted "shall prepare a list of the irrigable area for filing" for "shall cause a list of such irrigable area to be made and filed", near beginning of third sentence, after "levied", deleted "for such purposes", and in fifth sentence, after "may not thereafter", deleted "be permitted to" and at end, after "board", deleted "of commissioners"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2115. Objection by landowner.** In case any landowner makes objection to the proceedings of the board in determining the irrigable area in his own or any other tract of land or the amount or rate per acre of the special tax and assessment to be levied against each irrigable acre in the district or subdistrict for the purposes of the proposed bond issue and the objection is overruled by the board, the objection without further proceedings must be regarded as appealed to the district court and shall, with the other proceedings of the board at the meeting, be heard at the proceedings to confirm the bonds, as provided in 85-7-2016 through 85-7-2018, and when confirmed, the order overruling the objection and confirming the order of the board determining the irrigable area of each tract of land and apportioning the cost of the improvement to each tract shall become final, binding, and conclusive upon the landowner and upon the district, unless appealed from as provided in 85-7-2018.

**History:** **En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.2, R.C.M. 1935; amd. Sec. 23, Ch. 388, L. 1975; amd. Sec. 33, Ch. 460, L. 1977; R.C.M. 1947, 89-1806(4); amd. Sec. 31, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted reference to subdistrict; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2116. Restrictions on reduction of taxable acreage.** Whenever the irrigable area of the lands in any irrigation district or subdistrict has been determined and confirmed, no owner or holder of title or evidence of title to lands in the district or subdistrict, during the period when any bonds are issued and outstanding, may have the taxable acreage of his lands fixed or adjudicated in the manner provided by 85-7-1841 through 85-7-1845 in a manner or to an extent as to reduce the acreage subject to the payment of the bonds or interest or in a manner as to affect the security of the bonds or interest on the bonds.

**History:** **En. Sec. 20, Ch. 157, L. 1923; re-en. Sec. 7235.2, R.C.M. 1935; amd. Sec. 23, Ch. 388, L. 1975; amd. Sec. 33, Ch. 460, L. 1977; R.C.M. 1947, 89-1806(5); amd. Sec. 32, Ch. 439, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In two places inserted reference to subdistrict; near middle, after "bonds", deleted "thereafter authorized"; and made minor changes in phraseology. Amendment effective April 4, 1989.

**85-7-2117. Conclusiveness of tax or assessment.** In determining the proper and just tax or assessment to be levied against any land for district purposes, the finding of the board of commissioners of the district, in the absence of fraud or mistake, shall be conclusive and final, except as herein otherwise provided.

**History:** **En. Sec. 50, Ch. 146, L. 1909; re-en. Sec. 7237, R.C.M. 1921; re-en. Sec. 7237, R.C.M. 1935; R.C.M. 1947, 89-1809.**

**85-7-2118. United States contracts — cancellation of assessment on amended contracts.** In any case where the board of commissioners of any irrigation district has made a levy or assessment under the provisions of 85-7-2104 through 85-7-2106 and included therein any amount due the United States under any contract or agreement for the purchase of any irrigation works or for the operation and maintenance of any irrigation works, while acting as fiscal agent for the United States, or under any authorization of the district by the United States to make collections of moneys for or on behalf of the United States in connection with any federal reclamation project, as provided in 85-7-1906, and the United States shall thereafter modify or supplement such contract or agreement so as to eliminate certain charges under said contract or agreement or so as to make such charges due at a later date or dates than originally provided in said contract or agreement, said board of commissioners are empowered to direct the cancellation of said levy or assessment theretofore made to raise funds to pay the United States that are under such modification or supplemental contract or agreement made due and payable at a later date or dates.

**History:** En. Sec. 1, Ch. 103, L. 1923; re-en. Sec. 7235.3, R.C.M. 1935; R.C.M. 1947, 89-1807.

**85-7-2119. United States contracts — assessments where district partly outside state.** Where a contract has been entered into or may be hereafter entered into between an irrigation district and the United States, the board of commissioners shall have the power to levy assessments against all of the land within the district for any and all of the purposes hereinbefore enumerated and, in addition thereto, the power to levy assessments against any or all of the lands in said district in compliance with such contract. Where irrigation works lie partly in the state of Montana and partly in an adjacent state, the board of commissioners may contract with the district or districts in the adjacent state for the mutual construction of works, operation and maintenance of works, drainage, and other matters and things pertaining to said works and shall have the power to levy assessments against any or all lands within the district necessary to carry out the provisions of such contract.

**History:** En. Sec. 1, Ch. 4, Ex. L. 1921; re-en. Sec. 7236, R.C.M. 1921; amd. Sec. 2, Ch. 103, L. 1923; re-en. Sec. 7236, R.C.M. 1935; R.C.M. 1947, 89-1808.

**85-7-2120 through 85-7-2130 reserved.**

**85-7-2131. Funds for payment of each series of bonds to be kept distinct.** When more than one series of bonds shall have been issued by a district, the funds for the payment of each series shall be kept separate and distinct. When contract is made between the district and the United States, accompanying which bonds of the district have not been deposited with the United States, as provided in 85-7-1906, the funds for the payment to be made under any such contract shall be kept separate and distinct.

**History:** En. Sec. 52, Ch. 146, L. 1909; amd. Sec. 17, Ch. 145, L. 1915; re-en. Sec. 7238, R.C.M. 1921; re-en. Sec. 7238, R.C.M. 1935; R.C.M. 1947, 89-1810.

**85-7-2132. Sinking fund for straight maturity bonds.** When straight maturity bonds are issued, the board of commissioners of the district shall create and maintain a sinking fund sufficient to pay and discharge the bonds at maturity. If the bonds are issued for 20 years or less, there shall be annually levied for the sinking fund a special tax or assessment sufficient to produce a net amount represented by the quotient found by dividing the aggregate amount of the principal of the bonds by the number of years the bonds have to run; but if the bonds are issued for more than 20 years, it is not necessary to levy a special tax or assessment for sinking fund until the 20th year prior to the maturity of the bonds, at which time and each year thereafter there shall be levied and collected a special tax or assessment sufficient to produce a net sum equal to one-twentieth part of the aggregate amount of the principal of the bonds.

**History: En. Sec. 46, Ch. 146, L. 1909; amd. Sec. 14, Ch. 145, L. 1915; re-en. Sec. 7232, R.C.M. 1921; re-en. Sec. 7232, R.C.M. 1935; amd. Sec. 34, Ch. 234, L. 1971; amd. Sec. 30, Ch. 460, L. 1977; R.C.M. 1947, 89-1801(part).**

**Cross-References**

Relations with United States, 85-7-1906.

**85-7-2133. Role of the county officers in collection of tax or assessment.** (1) A certified copy of such resolution shall be filed with the clerk of the board of county commissioners of each county in which the lands of the irrigation district lie, and the special tax or assessment therein provided for shall be levied and collected as prescribed and when so collected shall, by the county treasurer having custody of the funds of the district, be placed in a special fund and used solely for the payment of all bonds issued under the provisions of this chapter and interest thereon so long as any of the bonds or interest coupons remain outstanding and unpaid. Whenever the payments are made for amounts due or to become due to the United States under a contract between the district and the United States, accompanying which bonds of the district have not been deposited with the United States as provided in 85-7-1906, the special fund shall be known as the United States contract fund.

(2) The county treasurer of the county where the office of an irrigation district is located is the custodian of all funds belonging to the district, and he shall pay out such funds upon the order of the board of commissioners, except payments on bonds and interest for which no order is necessary. If any portion of the funds belonging to a district has been collected for the purpose of establishing a reserve fund, the county treasurer shall pay such portion to the district on order of the district's board of commissioners who may invest the same in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal and state agency obligations. Where moneys of a district in the United States contract fund established pursuant to subsection (1) are in excess of those needed to pay a district's next succeeding annual contract obligation or obligations to the United States, such excess or any part thereof may, upon order of the district's board of commissioners and with the consent of the United States officer administering the contract for which the contract fund has been established, be paid to the district for use in meeting other obligations of the district. Such orders of the board of commissioners shall be signed by the president and secretary of the board and shall bear the official seal of the district.

**History: (1)En. Sec. 46, Ch. 146, L. 1909; amd. Sec. 14, Ch. 145, L. 1915; re-en. Sec. 7232, R.C.M. 1921; re-en. Sec. 7232, R.C.M. 1935; amd. Sec. 34, Ch. 234, L. 1971; amd. Sec. 30, Ch. 460, L. 1977; Sec. 89-1801, R.C.M. 1947; (2)En. Sec. 53, Ch. 146, L. 1909; amd. Sec. 18, Ch. 145, L. 1915; re-en. Sec. 7239, R.C.M. 1921; re-en. Sec. 7239, R.C.M. 1935; amd. Sec. 1, Ch. 137, L. 1971; amd. Sec. 34, Ch. 460, L. 1977; Sec. 89-1811, R.C.M. 1947; R.C.M. 1947, 89-1801(3), 89-1811; amd. Sec. 3, Ch. 166, L. 1987.**

**85-7-2134. Levy of taxes and assessments by county commissioners.** If for any reason a levy of taxes or assessments shall not be made for any irrigation district in any year by the board of commissioners of such district within the time provided by 85-7-2104, the board of county commissioners of the county in which such district is situated shall, not later than the second Monday in August, ascertain the total amount to be raised for all purposes of said district, make the levy which should have been made by board of commissioners of such district, and furnish the county clerk of such county with a list of the lands and the amount of taxes or assessments as provided in 85-7-2136, and such levy so made shall have the same force and effect as though made by the board of commissioners of such district. This section shall apply only to irrigation districts having a bonded indebtedness and actually in possession of a dependable water supply system and furnishing substantial amounts of water to bona fide users.

**History: En. Sec. 1, Ch. 89, L. 1931; re-en. Sec. 7240.1, R.C.M. 1935; R.C.M. 1947, 89-1813.**

**85-7-2135. Transmission of funds from other counties.** Where the lands of any district lie in more than one county, the district taxes or assessments collected in counties in which the principal office is not located shall be transmitted, on or before the 10th day of each month except June and December, by the county treasurer of such county to the county treasurer of the county wherein the office of the district is located.

**History: En. Sec. 55, Ch. 146, L. 1909; re-en. Sec. 7241, R.C.M. 1921; re-en. Sec. 7241, R.C.M. 1935; amd. Sec. 2, Ch. 78, L. 1961; R.C.M. 1947, 89-1814; amd. Sec. 1, Ch. 252, L. 1987.**

**85-7-2136. Collection of taxes or assessment.** (1) On or before the third Monday in August of each year, the board of commissioners shall furnish the agent of the department of revenue in each county in which any of the lands of the district are situated a correct list of all the district lands in the county, together with the amount of the total taxes or assessments against the lands for district purposes. The agent of the department of revenue in each county shall immediately thereafter, and prior to the delivery of the assessment book to the county treasurer, cause the assessment roll to be entered in the assessment book of the county for each year.

(2) It is the duty of the county treasurer of each county in which any irrigation district is located, in whole or in part, to collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The treasurer shall receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not.

(3) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of commissioners of the district, and preparing district assessment notices.

(4) When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any

time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on such installment. However, the payment may not be considered a redemption of the property from the tax sale but must be credited on account of any redemption that may be made. In case of any payment pursuant to this subsection, a separate tax receipt must issue showing exactly what assessments have been paid and must show that no other tax on the real estate has been received by the treasurer. The county treasurer may not collect or receive or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation district has been levied unless the assessment levied for irrigation district purposes is paid as herein permitted and the receipt for the payment presented to the county treasurer at the time the taxes are paid, or paid at the same time.

**History: (1)En. Sec. 54, Ch. 146, L. 1909; amd. Sec. 2, Ch. 96, L. 1919; re-en. Sec. 7240, R.C.M. 1921; re-en. Sec. 7240, R.C.M. 1935; amd. Sec. 1, Ch. 14, L. 1945; amd. Sec. 65, Ch. 391, L. 1973; Sec. 89-1812, R.C.M. 1947 (2)En. Sec. 1, Ch. 71, L. 1923; amd. Sec. 1, Ch. 73, L. 1935; re-en. Sec. 2172.1, R.C.M. 1935; amd. Sec. 1, Ch. 188, L. 1943; Sec. 84-4108, R.C.M. 1947; R.C.M. 1947, 84-4108(part), 89-1812; amd. Sec. 4, Ch. 584, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (3) relating to receipt by a County Treasurer of assistance from an irrigation district employee or commissioner for certain district-related tax functions; and made minor changes in phraseology and punctuation.

**Cross-References**

Delinquency sale, 35-1-604.
Proceeds of certain bonds, 85-7-2141.

**85-7-2137. Failure to levy or collect tax or assessment.** In the event that for any reason a special tax or assessment provided for cannot or may not be levied and collected in time to meet any interest falling due on any bonds issued, the board of commissioners shall provide for and pay such interest when due, either out of any of the funds in hand in the treasury of the district not otherwise appropriated or by warrants drawn against the next district tax or assessment levied or to be levied. These warrants shall be in addition to those mentioned in 85-7-2001.

**History: En. Sec. 46, Ch. 146, L. 1909; amd. Sec. 14, Ch. 145, L. 1915; re-en. Sec. 7232, R.C.M. 1921; re-en. Sec. 7232, R.C.M. 1935; amd. Sec. 34, Ch. 234, L. 1971; amd. Sec. 30, Ch. 460, L. 1977; R.C.M. 1947, 89-1801(4).**

**85-7-2138. Surplus in construction fund.** In the event of any money remaining in the construction fund after the completion of any district project, the same may be transferred to an appropriate fund for the redemption of the outstanding bonds of the district.

**History: En. Sec. 62, Ch. 146, L. 1909; re-en. Sec. 7257, R.C.M. 1921; re-en. Sec. 7257, R.C.M. 1935; R.C.M. 1947, 89-2104.**

**85-7-2139. Transfer of funds.** The board of commissioners shall have power to transfer money from any one fund to any other fund, except that no money shall be drawn from the sinking fund or construction fund, except as specifically provided in this chapter; provided, that no money in the United States contract fund shall ever be diverted to any other fund.

**History: En. Sec. 63, Ch. 146, L. 1909; amd. Sec. 20, Ch. 145, L. 1915; re-en. Sec. 7258, R.C.M. 1921; re-en. Sec. 7258, R.C.M. 1935; R.C.M. 1947, 89-2105.**

**85-7-2140. Investment of funds.** The board of commissioners shall direct the investment of the funds in any bond sinking fund in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal and state agency obligations, whenever in their judgment the investment may be to the best interest of the district. All such investments shall be converted into cash in time to meet the principal on the bonds payable from such sinking fund promptly at their maturity.

**History: En. Sec. 46, Ch. 146, L. 1909; amd. Sec. 14, Ch. 145, L. 1915; re-en. Sec. 7232, R.C.M. 1921; re-en. Sec. 7232, R.C.M. 1935; amd. Sec. 34, Ch. 234, L. 1971; amd. Sec. 30, Ch. 460, L. 1977; R.C.M. 1947, 89-1801(5); amd. Sec. 4, Ch. 166, L. 1987.**

**85-7-2141. Proceeds of certain bonds.** The provisions of 85-7-2026, 85-7-2027, 85-7-2101, 85-7-2132, 85-7-2133(1), 85-7-2137, and 85-7-2140, with reference to the disposition of the proceeds of bonds mentioned therein, the levy and collection of a special tax or assessment for the payment of the principal and interest of such bonds, the creation of a sinking fund, the issuance of warrants for the payment of interest, and the investment of the funds in any sinking fund created, shall apply to the bonds issued under Chapter 252, Laws of 1921. All other provisions of Chapter 146, Laws of 1909, as amended, with reference to the levy and collection of a special tax and assessment, not inconsistent or in conflict with the provisions of Chapter 252, Laws of 1921, shall apply to the bonds issued under Chapter 252, Laws of 1921, the same as to the bonds mentioned therein.

**History: En. Sec. 6, Ch. 252, L. 1921; re-en. Sec. 7231, R.C.M. 1921; re-en. Sec. 7231, R.C.M. 1935; R.C.M. 1947, 89-1714.**

**85-7-2142. Misconduct in relation to bond funds.** (1) (a) Except as provided in subsection (1)(b), when any officer or officers or board or body of officers of any irrigation district of the state are or shall be required by law to provide by a levy of taxes or by certifying the amount of money required or otherwise a sinking fund or fund required to pay at maturity any bonds hereafter issued or created, such officer or officers and the members of such board or body of officers shall be jointly and severally liable to the irrigation district which they represent if they shall fail to perform any such duties so required by law, as in this section hereby specified, in an amount equal to the sum which would have been added to such fund had they performed such duty.

(b) When any such board shall fail or neglect to perform any such duty, no minority member of said board who shall have moved said board or voted in favor of a performance of such duty shall be held liable.

(2) Any person or persons who shall take, use, appropriate, or permit to be taken, used, or appropriated any portion of any such fund, as herein specified, for any purpose other than that permitted by law shall be jointly and severally liable to the irrigation district to which said fund shall belong for the portion of such fund so unlawfully taken, used, or appropriated.

**History: En. Secs. 1, 2, Ch. 5, L. 1923; re-en. Secs. 463.1, 463.2, R.C.M. 1935; R.C.M. 1947, 59-534(part), 59-535(part).**

**Cross-References**

Officer's liability with respect to funds, 7-7-121.

**85-7-2143. Prosecution for misconduct.** It shall be the duty of the county attorney in each county to commence and prosecute all actions to enforce any liability created in 85-7-2142. Such actions shall be tried as civil actions at law.

**History:** En. Sec. 3, Ch. 5, L. 1923; re-en. Sec. 463.3, R.C.M. 1935; R.C.M. 1947, 59-536.

**Cross-References**

County Attorney to be legal advisor of county and other subdivisions, 7-4-2711.

**85-7-2144 through 85-7-2150 reserved.**

**85-7-2151. Delinquent sale and redemption.** Delinquent sales of land for unpaid taxes or assessments shall be made in the same manner as for state and county taxes in the respective counties where such lands are situated. The right of redemption shall in all cases be made the same as in cases where lands are sold for state or county taxes.

**History:** En. Sec. 56, Ch. 146, L. 1909; amd. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7242, R.C.M. 1921; re-en. Sec. 7242, R.C.M. 1935; R.C.M. 1947, 89-1815.

**Cross-References**

Tax sales, Title 15, ch. 17.

**85-7-2152. Proceeds of sale.** Whenever any lot, tract, piece, or parcel of land included within and forming a part of any irrigation district created under the provisions of this chapter or included within any extension of such district is sold by the treasurer of the county where such land is situated in the manner provided by law for the sale of lands for delinquent taxes for state and county purposes and taxes or assessments of the irrigation district form all or a part of the taxes for which such lands are sold, the county treasurer making such sale or sales shall place to the credit of the proper funds of such irrigation district, out of the proceeds of the sale or sales, the total tax or assessment of the irrigation district, inclusive of the interest and penalty thereon as provided for by the general laws relating to delinquent taxes for state and county purposes, and whenever any such lands are struck off at such sale to the county where they are situated pursuant to the provisions of 15-17-214, the county treasurer of the county must, upon the issuance of the certificate of tax sale to the county, issue to the irrigation district, in its corporate name, a debenture certificate for the amount of taxes and assessments due to the irrigation district from the lands and premises so sold, inclusive of the interest and penalty thereon, which certificate is evidence of and conclusive of the interest and claim of the irrigation district in, to, against, and upon the lands and premises so struck off to the county at the tax sale, and after the issuance of the certificate, the sum named therein and the taxes and assessments of the district evidenced thereby shall bear interest at the rate of 1% a month from the date of the certificate until redeemed in the manner provided for by law for the redemption of the lands sold for delinquent state and county taxes or until paid from the proceeds of the sale of the lands and premises described therein in the manner provided for by law, and duplicates of such certificates so issued to the irrigation district shall be filed in the office of the county clerk and county treasurer of the county with the certificate of tax sale of the lands and premises.

**History:** En. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7243, R.C.M. 1921; re-en. Sec. 7243, R.C.M. 1935; amd. Sec. 35, Ch. 460, L. 1977; R.C.M. 1947, 89-1816; amd. Sec. 53, Ch. 587, L. 1987.

**85-7-2153. Assignment of debenture certificates.** The certificates provided for by the preceding section hereof shall be assignable and may be sold or negotiated by the board of commissioners of said irrigation district and the proceeds thereof delivered to and deposited with the county treasurer of said county for proper credit to the respective funds of said irrigation district. Upon the sale, negotiation, or transfer thereof, as provided for above, the lien of said irrigation district shall vest in the purchaser thereof and is only divested by the payment to the purchaser or the county treasurer of said county, for his use, of the sum for which said certificate is issued and 1% additional for each month that elapses from the date of such certificate until redeemed as hereinafter provided for.

**History:** En. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7244, R.C.M. 1921; re-en. Sec. 7244, R.C.M. 1935; R.C.M. 1947, 89-1817.

**85-7-2154. Redemption of lands sold.** Upon the redemption of any lands so sold for taxes in the manner provided for by Title 15, chapter 18, the county treasurer of said county, out of the redemption money, shall pay to the holder or holders of such certificate or certificates the sums for which the same were issued, with interest as therein provided to the date of the redemption of said lands.

**History:** En. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7245, R.C.M. 1921; re-en. Sec. 7245, R.C.M. 1935; R.C.M. 1947, 89-1818; amd. Sec. 54, Ch. 587, L. 1987.

**85-7-2155. Sale by county commissioners when land not redeemed.** When the lands and premises so sold for taxes and upon and against which the certificates have been issued for the taxes and assessments of the irrigation district are not redeemed within the time provided for by 15-18-111, the board of county commissioners of the county, within 3 months thereafter, shall cause these lands and premises to be sold as provided for by law, and out of the proceeds of the sale, the county treasurer of the county shall pay to the holder or holders of the certificates the sum for which the same were issued, with interest as provided for to the date of the sale of the lands by the board of county commissioners, and no lands and premises so held by any county and against which the certificates provided for by this chapter have been issued may, upon such sale, be struck off or sold for a less sum than the amount of taxes and assessments of the irrigation district represented by the certificate, inclusive of the interest thereon, in addition to the state and county taxes, if any, against the same.

**History:** En. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7246, R.C.M. 1921; re-en. Sec. 7246, R.C.M. 1935; amd. Sec. 36, Ch. 460, L. 1977; R.C.M. 1947, 89-1819; amd. Sec. 55, Ch. 587, L. 1987.

**85-7-2156. Proceedings where land struck off to county and not redeemed.** In case the property so assessed for irrigation district purposes is struck off to the county, as provided for by law, and certificates of the taxes and assessments of said irrigation district issued thereon, as hereinbefore provided for, and the said lands and premises be not redeemed before the next annual assessment for irrigation purposes shall become delinquent thereon, then and in that event, like certificates for each year's irrigation district taxes and assessments shall be issued against said land and shall be included in and satisfied by any redemption thereof, with interest as hereinbefore provided for, and shall in like manner be paid from the proceeds of sale of said lands by the board of county commissioners, if the same be not redeemed as provided for by law.

**History:** En. Sec. 2, Ch. 127, L. 1913; re-en. Sec. 7247, R.C.M. 1921; re-en. Sec. 7247, R.C.M. 1935; R.C.M. 1947, 89-1820; amd. Sec. 56, Ch. 587, L. 1987.

**85-7-2157. Purchase of lands by district — revolving fund, credits, and expenditures.** (1) At all sales of all lands for delinquent taxes where all or a portion of such delinquent taxes are taxes and assessments levied and assessed by any irrigation district against the lands to be sold, the commissioners of such irrigation district, if there be no other bidder for such land at such tax sale, may bid therefor the total amount of all delinquent taxes and assessments, penalty, and interest against such land, and thereupon the county treasurer shall strike off said lands to such irrigation district and issue certificates of tax sale to said irrigation district the same as such certificates of tax sales are issued to other purchasers. For the purpose of paying such taxes, assessments, interest, and penalties, the commissioners of such irrigation district shall have the power and authority to create by resolution a fund to be known and designated as the revolving fund for the purchase of tax certificates and titles and to provide funds for such revolving fund by levy, bond issue, or otherwise. The district may pay such taxes, assessments, interest, and penalties by issuing a warrant to the county treasurer against such revolving fund, provided that there shall be sufficient money in such fund to pay same in full upon demand.

(2) When taxes are paid by the district as provided in this part, the county treasurer shall distribute that portion of said tax belonging to the irrigation district to the several funds as designated in the tax levy and assessment. However, if the board of commissioners of the irrigation district shall file with the county treasurer a certified copy of resolution passed by such commissioners requesting nondistribution by the county treasurer of the portion of the tax belonging to the district, the county treasurer shall not distribute that portion of said tax belonging to the irrigation district to the several funds as designated in the tax levy and assessment, but the total amount due the irrigation district shall be credited by him to the revolving fund above specified. In such event, at the time of the sale by the district of the tax sale certificate or of the property obtained through such certificate, such funds as are realized from such sale must be deposited with the county treasurer, together with the rentals received from the property, and he shall credit the proceeds of such redemption sale or rental pro rata to the several funds of the district in accordance with the original levy or assessment.

(3) At the time of redemption or of the sale by the district of the tax sale certificate or of the property obtained through such certificate, such funds as are realized must be deposited with the county treasurer, together with rentals received from the property. He shall credit the proceeds of such redemption, sale, or rentals to the above specified revolving fund to such extent as may be required, with the credit provided for above, to reimburse said revolving fund in full, if the sum realized permits, the overplus, if any, to be credited to the several funds of the district in accordance with the original levy and assessment. No expenditures shall be made from the revolving fund except for the purpose as herein specified, and when, by resolution of the board of irrigation district commissioners, such fund shall be deemed inactive, the balance

remaining in said fund shall be transferred to a sinking fund to be applied upon any indebtedness which may have been incurred by the district by reason of the creation of such revolving fund, if any there may be.

**History: En. Sec. 1, Ch. 89, L. 1925; amd. Sec. 1, Ch. 57, L. 1929; re-en. Sec. 7248.1, R.C.M. 1935; R.C.M. 1947, 89-1822.**

**Cross-References**

Powers of District Commissioners to acquire and manage tax sale lands, 85-7-2162.

Application of 85-7-2157, 85-7-2164.

**85-7-2158. Purchase of lands by district — tax sale certificates and payment.** (1) Any irrigation district may:

(a) purchase the certificate of tax sale issued to any county for lands sold at tax sale against which any of its taxes and assessments are delinquent; or

(b) if deed therefor has issued to the county, purchase such lands from the county by paying all state, county, city, school district, and other delinquent taxes together with penalty, interest, and costs of publication and sale to the county treasurer of the county making the sale.

(2) Such payment shall be made by the commissioners of such district issuing and delivering to the county treasurer a warrant drawn against the revolving fund of said district; provided there shall be sufficient money in said fund to pay same in full upon demand. Thereupon, such treasurer shall assign such certificate of tax sale to such irrigation district as in the case of the purchase thereof by any other person, or the commissioners of the county shall convey such lands to said district in case tax deed therefor has been issued to the county.

**History: En. Sec. 2, Ch. 89, L. 1925; re-en. Sec. 7248.2, R.C.M. 1935; R.C.M. 1947, 89-1823.**

**Cross-References**

School district replaced by community college district, 20-15-403.

**85-7-2159. Issuance of tax deed.** When there has been no redemption of the lands so sold at tax sale to an irrigation district or any other person or of the lands struck off to the county for which certificate of sale has been assigned to an irrigation district or any other person in the manner and within the time allowed by 85-7-2163 for the redemption of lands from such tax sales, the county treasurer of the county within which such lands are situated shall issue tax deed therefor to such irrigation district or other holder of certificate of sale.

**History: En. Sec. 3, Ch. 89, L. 1925; re-en. Sec. 7248.3, R.C.M. 1935; R.C.M. 1947, 89-1824.**

**Cross-References**

Issuing a tax deed, Title 15, ch. 18, part 2.

**85-7-2160. Sale by district of purchased tax-deed lands.** After the issuance of any such tax deeds to an irrigation district, the commissioners of such district shall have power to sell and convey the lands so purchased, or any part thereof, at either public or private sale whether or not the price received therefor equals the amount of delinquent taxes, assessments, penalties, interest, and costs against said lands. If such lands be offered for sale at public sale, such commissioners may reject any and all bids thereon. No such lands shall be sold by said commissioners at private sale until the same shall have been offered for sale at public sale, and no such lands shall be sold at private sale at a price less than the highest price bid therefor at the public sale at which such lands are offered. If no bid is received for such lands when the same are offered for sale at public sale, the commissioners may then sell the same in such manner and for such price as in their judgment they shall deem to be for the best interests of said district.

**History:** En. Sec. 4, Ch. 89, L. 1925; re-en. Sec. 7248.4, R.C.M. 1935; R.C.M. 1947, 89-1825.

**85-7-2161. Action to quiet title in district.** If any such lands are conveyed to any irrigation district, it may maintain an action to quiet title to said lands in said district in the manner provided by the laws of Montana for quieting title to real property.

**History:** En. Sec. 5, Ch. 89, L. 1925; re-en. Sec. 7248.5, R.C.M. 1935; R.C.M. 1947, 89-1826.

**Cross-References**

Quiet title — tax deed property, Title 15, ch. 18, part 4.

**85-7-2162. Powers of district commissioners to acquire and manage tax sale lands.** (1) In addition to the powers heretofore granted to irrigation districts, the commissioners of every irrigation district established and organized under and by virtue of the laws of the state of Montana shall have power to:

(a) purchase lands within their respective districts heretofore sold and conveyed to the county for nonpayment of taxes and assessments, purchase certificates of tax sales of such land when struck off to the county, take title thereto for their district;

(b) own, manage, operate, lease, sell, and dispose of the same for the use and benefit of their respective districts upon such terms as shall, in the judgment of the board of commissioners of such irrigation district, be deemed most advantageous to the district;

(c) sue and be sued in reference to said lands in the name of their respective irrigation districts; commence, maintain, and prosecute suits to quiet title to said lands and any and all other suits in equity or actions at law with reference thereto, the same as might be done by any other individual or corporate owners of such lands; and

(d) do any and all other acts or things necessary or beneficial for their respective districts in connection with such lands.

(2) Such lands shall be first offered for sale at public sale and the commissioners may reject any and all bids thereon, if in their judgment such bids are insufficient. No such lands shall be sold at private sale at a price less than the highest bid therefor at the public sale at which such lands are offered for sale, and if no bid is received for said land when said land is offered at public sale, the commissioners may then sell the same in such manner and at such price and upon such terms as in their judgment shall be for the best interests of said district.

(3) The board of commissioners of any irrigation district shall be and they are hereby authorized and empowered to do any and all things necessary to carry out the provisions and intentions of 85-7-2157 through 85-7-2164.

**History:** En. Sec. 6, Ch. 89, L. 1925; amd. Sec. 1, Ch. 36, L. 1933; re-en. Sec. 7248.6, R.C.M. 1935; R.C.M. 1947, 89-1827.

**85-7-2163. Granting of tax deed.** The holder of the certificate of tax sale must be granted a tax deed by the county treasurer in the manner and form provided by Title 15, chapter 18.

**History:** **En. Sec. 7, Ch. 89, L. 1925; re-en. Sec. 7248.7, R.C.M. 1935; R.C.M. 1947, 89-1828; amd. Sec. 57, Ch. 587, L. 1987.**

**85-7-2164. Application of certain sections.** Sections 85-7-2157 through 85-7-2163 shall apply only when or after said irrigation district shall have commenced delivery of water to any lands included in such irrigation district.

**History:** **En. Sec. 8, Ch. 89, L. 1925; re-en. Sec. 7248.8, R.C.M. 1935; R.C.M. 1947, 89-1829.**

**85-7-2165. Partitioning interest in tax-deed lands in certain districts.** (1) In any case where an irrigation district established under the law of this state has incurred a bonded indebtedness or other indebtedness but has not constructed or purchased any irrigation plant or system for the irrigation of land in the district and more than 10 years have expired since the date of the creation of the irrigation district, the board of commissioners of such irrigation district and also the board of county commissioners of the county in which the lands of the district or any part thereof are situated shall have power to enter into an agreement, on behalf of such irrigation district and such county, for the partitioning of the respective interests of the irrigation district and the county in lands to which the county has taken tax deed and to make all necessary conveyances and assignments to carry out such agreement in such manner that the respective interests of the county and the irrigation district shall be fully segregated and thereafter separately owned and controlled.

(2) The board of commissioners of such irrigation district shall have power to sell and convey such lands and interests so acquired by the irrigation district or any part thereof and any other property or assets which such irrigation district may hold, at either public or private sale, or transfer such lands or interests in lands or other assets to creditors of the district in payment of the indebtedness of such irrigation district, upon such terms as shall, in the judgment of the board of irrigation district commissioners, be deemed most advantageous to the irrigation district. The board of commissioners of such irrigation district and the board of county commissioners of the county in which the lands of such irrigation district or any part thereof are situated shall be and they are hereby authorized and empowered to do any and all things necessary to carry out the provisions and intentions of this section, the purpose of which is to enable such irrigation district to dispose of its assets in settlement of its liabilities and to be dissolved.

**History:** **En. Sec. 1, Ch. 207, L. 1943; R.C.M. 1947, 89-1830.**

**85-7-2166. Liability of county treasurers.** (1) The county treasurer to whom district funds or securities are entrusted shall be liable on his bond for the safekeeping of said funds and securities. Such funds shall be properly divided into the respective funds for which district taxes or assessments were levied; that is to say, United States contract fund; bond principal and interest fund; sinking fund to redeem bonds; maintenance fund; construction fund; and general fund. The construction fund shall be available for the payment of the purchase price of all works, water rights, or other property purchased by or for the district and all expenses incident thereto, as well as for the payment of the cost of construction of works, including cost of engineering, superintendence, and other expenses incident thereto. All warrants issued for preliminary and organization expenses and all administrative expenses shall be paid from the general fund.

(2) The county treasurer is authorized to receive, in lieu of cash, matured bonds and/or matured coupons or interest coupons maturing within the year in payment of any tax or assessment levied for the payment of bonds or interest on bonds. The county treasurer at any time, upon the order of the board of commissioners of the district, shall turn over to said board any bonds or securities held by him and required to be delivered to said board in accordance with the provisions of this chapter. All bonds and interest coupons so received or otherwise paid and all bonds of the district upon the payment thereof shall be immediately canceled and retained by the county treasurer as vouchers.

**History: En. Sec. 57, Ch. 146, L. 1909; amd. Sec. 19, Ch. 145, L. 1915; re-en. Sec. 7249, R.C.M. 1921; amd. Sec. 1, Ch. 114, L. 1933; re-en. Sec. 7249, R.C.M. 1935; R.C.M. 1947, 89-1831.**

**Cross-References**

Extent of sureties' liability, 2-9-511.

Office of County Treasurer, Title 7, ch. 6, part 21.

**85-7-2167. Sale or transfer of lands.** Where any lands in any district are sold or transferred, either by deed, mortgage, foreclosure sale, or otherwise, such sale or transfer shall include the water belonging to and appurtenant to the land, whether or not the same is expressly stated in the deed, instrument of transfer, or decree, and such land shall be liable to special tax or assessment the same as if such sale or transfer had not been made.

**History: En. Sec. 58, Ch. 146, L. 1909; re-en. Sec. 7250, R.C.M. 1921; re-en. Sec. 7250, R.C.M. 1935; R.C.M. 1947, 89-1832.**

## Part 22

## Miscellaneous Provisions

**85-7-2201. Limitation on actions attacking decrees.** No suit, action, or proceeding shall be brought in any court in this state attacking the validity or regularity of any order or decree of the court purporting to establish a district hereunder or correcting or amending any order or decree creating a district after the expiration of 6 months from the date of the recording of the order establishing the district or the order correcting or amending the same. Nothing contained in this section shall be deemed or construed to confirm, approve, or validate any warrant issued, disbursement made, or contract entered into for the expenditure of money by the board of commissioners on behalf of any district.

**History: En. Sec. 2, Ch. 54, L. 1923; re-en. Sec. 7231.1, R.C.M. 1935; R.C.M. 1947, 89-1715(part).**

**85-7-2202. Consolidation of appeals.** If more than one appeal shall be pending at the same time concerning similar contests provided for in this chapter, such appeals shall be consolidated and tried together.

**History: En. Sec. 59, Ch. 146, L. 1909; re-en. Sec. 7254, R.C.M. 1921; re-en. Sec. 7254, R.C.M. 1935; R.C.M. 1947, 89-2101.**

**85-7-2203. Nonsubstantial errors disregarded — rules of practice — costs.** The court hearing any of the contests or proceedings herein provided for shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties to said action or proceeding. The rules of pleading and practice provided by Title 25 which are not inconsistent with the provisions of this chapter are applicable to all actions or proceedings herein provided for. The costs of any such hearing or contest may be allowed and apportioned between the parties or taxed to the losing parties, in the discretion of the court.

**History: En. Sec. 60, Ch. 146, L. 1909; re-en. Sec. 7255, R.C.M. 1921; re-en. Sec. 7255, R.C.M. 1935; R.C.M. 1947, 89-2102.**

**85-7-2204. Written consent of owners — acknowledgment and recording requirements.** Whenever any written consent is required to be given by or obtained from the owner or owners of any lands by any of the provisions of any of the sections of this chapter, such written consent must be acknowledged before some officer authorized to take acknowledgments and shall be filed and recorded in the office of the clerk and recorder of the county in which such lands are situated, and a certified copy thereof must be filed in the office of the clerk of the court in the county in which the proceedings for the organization of such district were instituted. The provisions of this section shall not apply to any petition provided for by this chapter, and all such petitions may be signed in any number of original parts with the same effect as though all signatures had been affixed to one instrument.

**History: En. Sec. 64, Ch. 146, L. 1909; re-en. Sec. 7259, R.C.M. 1921; re-en. Sec. 7259, R.C.M. 1935; R.C.M. 1947, 89-2106; amd. Sec. 6, Ch. 326, L. 1979.**

**85-7-2205. Definition of irrigable land.** As used in this chapter, "irrigable land" means:

(1) land that can receive irrigation water and is classified as irrigable by the district or the United States government; or

(2) land decreed as taxable acreage under 85-7-1841 through 85-7-1845.

**History: En. Sec. 5, Ch. 584, L. 1989.**

**85-7-2206 through 85-7-2210 reserved.**

**85-7-2211. Irrigation ditches — duties relating to safety.** An irrigation district or private person or entity owning or operating irrigation ditches must keep irrigation ditches in good general repair and condition, but for the purpose of protecting persons and property from injury or damage has no duty to:

(1) erect fences;

(2) install grates or other protective devices where a ditch goes underground or under a bridge or other object; or

(3) prevent access to ditches by persons or animals.

**History: En. Sec. 1, Ch. 570, L. 1987.**

**85-7-2212. Irrigation ditches — nonliabilities.** An irrigation district or private person or entity owning or operating irrigation ditches is not liable for:

(1) personal injury or property damage resulting from floodwaters caused by rainfall or other weather conditions or acts of nature;

(2) personal injury or property damage occurring on another's land and caused by water seepage that existed or began before the injured person first arrived on or obtained an interest in the land or before the damaged property was first placed on the land, if the seepage does not carry toxic chemicals onto the land;

(3) injury to a person or property while, without authorization of the district or private person or entity, the person or property is on land or water controlled by the district or private person or entity, unless the irrigation district or private person or entity engaged in willful or wanton misconduct; or

(4) death from a drowning, unless the irrigation district or private person or entity was grossly negligent or engaged in willful or wanton misconduct.

**History:** **En. Sec. 2, Ch. 570, L. 1987.**

**Cross-References**

Liability for negligence as well as willful acts, 27-1-701.

# CHAPTER 8

# DRAINAGE DISTRICTS

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## Part 1

## Creation of Districts

**85-8-101. Petition for creation of district.** (1) Whenever a majority of the owners of lands within any district of land who shall represent one-third in area of the land within said district to be reclaimed or benefited or whenever the owners of more than one-half of the lands within such district desire to construct one or more drains, ditches, levees, waste ditches, or other works across the lands of others or to straighten, widen, deepen, or otherwise alter any natural stream or watercourse not navigable, for the promotion of the public health or welfare and the drainage of the lands and removal of surface waters therefrom; or desire to maintain and keep in repair any such drain, ditch, or levee heretofore constructed under any law of this state, such owners may file, in the district court of any county in which the lands or any part of them shall lie, a petition setting forth:

(a) the proposed name of the drainage district;

(b) the necessity of the proposed work;

(c) a general description of the proposed starting points, routes, and termini of the proposed drain, ditches, and levees;

(d) a general description of the lands proposed to be included in the district;

(e) the names of the owners of all lands in the district, when known.

(2) If the purpose of the petitioners is the enlargement, repair, and maintenance of a ditch, levee, or other work heretofore constructed under any law of this state, the petition shall give a general description of the same, with such particulars as are considered important. The petition shall pray for the organization of a drainage district by the name and with the boundaries proposed and for the appointment of commissioners for the execution of such proposed work, according to the provisions of this and the following sections.

(3) (a) Any lands, the title to which is in the state and which are within the boundaries of any drainage district heretofore created or which may be hereafter created, may be included in any such drainage district in the same manner as is by law provided for adding other lands to drainage districts whenever it is found necessary to include lands in drainage districts as provided by the preceding subsections.

(b) All copies of petitions or notices required by law to be served on account of such lands being included in such drainage districts shall be served on the president of the board having control of such lands in the same manner as is hereinafter provided for the service of petitions and notices on other owners of lands in the district in which said lands are situated.

**History: En. Sec. 1, Ch. 129, L. 1921; re-en. Sec. 7265, R.C.M. 1921; re-en. Sec. 7265, R.C.M. 1935; R.C.M. 1947, 89-2201; amd. Sec. 7, Ch. 326, L. 1979.**

**Cross-References**

Receiving affidavits on question of petition sufficiency, 85-8-119.

**85-8-102. Amendment and circulation of petition — court consideration.** No petition having as many signers as are required by 85-8-101 may be declared void, but the court may at any time permit the petition to be amended in form and substance to conform to the facts, if the facts justify the organization of a drainage district. Several similar petitions for the organization of the same district may be circulated and, when filed, together shall be regarded as one petition having as many signers as there are separate signers on the several filed petitions who own lands within the proposed drainage district. All petitions for the organization of the district filed prior to the hearing on the petition shall be considered by the court the same as if filed with the first petitions placed on file, and the signatures thereon shall be counted in determining whether sufficient landowners have signed the petition.

**History: En. Sec. 2, Ch. 129, L. 1921; re-en. Sec. 7266, R.C.M. 1921; re-en. Sec. 7266, R.C.M. 1935; amd. Sec. 40, Ch. 460, L. 1977; R.C.M. 1947, 89-2203; amd. Sec. 8, Ch. 326, L. 1979.**

**85-8-103. Territory to be included.** Said territory need not be contiguous, provided that it be so situated that the public health or welfare will be promoted by such drainage of each part thereof, the benefits of the proposed work in each part will exceed the damages from the costs of said proposed work in each part, and the court shall be satisfied that said proposed work can be more cheaply done if in a single district than otherwise.

**History: En. Sec. 3, Ch. 129, L. 1921; re-en. Sec. 7267, R.C.M. 1921; re-en. Sec. 7267, R.C.M. 1935; R.C.M. 1947, 89-2204.**

**85-8-104 through 85-8-110 reserved.**

**85-8-111. Notice of hearing.** (1) On such petition being filed, the court or judge thereof shall make an order fixing a time and place of hearing thereon and ordering notice. Thereupon, the clerk of said court for the county in which the proceedings are instituted shall cause 20 days' notice of the filing of such petition to be given:

(a) by posting notice thereof in at least five of the most public places in the proposed district in which said work is to be done;

(b) by serving or causing to be served a copy of such notice on each owner of land within said proposed district residing in any county in which any lands in said proposed district are situated, either personally or by leaving a copy thereof at his last usual place of abode with a person of suitable age and discretion, to whom its contents shall be explained; and

(c) by publishing a copy thereof at least once a week for 3 successive weeks in some newspaper published in each county from which any part of the district is proposed to be taken. If there be no newspaper in any such county, such notice may be published in a newspaper published in an adjoining county.

(2) Such notice shall:

(a) state in what court said petition is filed;

(b) state briefly the starting points, routes, and termini of said drains, ditches, and levees;

(c) give a general description of the proposed work;

(d) give the proposed boundaries of said district (or a general description of all the lands in said proposed district);

(e) give the name proposed for said drainage district; and

(f) state the time and place fixed by the court when and where the petitioners will ask a hearing on said petition.

**History: En. Sec. 4, Ch. 129, L. 1921; re-en. Sec. 7268, R.C.M. 1921; re-en. Sec. 7268, R.C.M. 1935; R.C.M. 1947, 89-2205.**

**85-8-112. Affidavit in case of nonresident petitioners.** If any of the owners of land in said district are nonresidents of the county or counties in which the proposed district lies, the petition shall be accompanied by an affidavit giving the names and post-office addresses of such nonresidents, if such are known, and if unknown, shall state that upon diligent inquiry their names or post-office addresses (whichever may be the fact) cannot be ascertained. The clerk of the court shall mail a copy of the notice aforesaid to each of said nonresident owners whose post-office address is known, within 6 days after the first publication of the same.

**History: En. Sec. 5, Ch. 129, L. 1921; re-en. Sec. 7269, R.C.M. 1921; re-en. Sec. 7269, R.C.M. 1935; R.C.M. 1947, 89-2206.**

**85-8-113. Proof of service and publication.** The certificate of the clerk of the court or other public officer or the affidavit of any other person who knows the facts, affixed to a copy of said notice, shall be sufficient evidence of the posting, serving, mailing, or publication thereof.

**History: En. Sec. 6, Ch. 129, L. 1921; re-en. Sec. 7270, R.C.M. 1921; re-en. Sec. 7270, R.C.M. 1935; R.C.M. 1947, 89-2207.**

**85-8-114. Personal service of notice to confer jurisdiction.** Personal service of such notice on (or service by leaving at the last usual place of abode of) all owners of lands or easements or interest in lands within said district shall give the court complete jurisdiction, without posting, publication, or mailing of said notice.

**History:** En. Sec. 7, Ch. 129, L. 1921; re-en. Sec. 7271, R.C.M. 1921; re-en. Sec. 7271, R.C.M. 1935; R.C.M. 1947, 89-2208.

**85-8-115. Insufficient service.** (1) If it shall be found, before the hearing on a petition for the organization of a drainage district, that one or more owners of land in said district have not been duly served with notice of hearing on said petition, the court or presiding judge shall not thereby lose jurisdiction. The court or presiding judge in such case shall adjourn the hearing, make an order directing the serving of said notice upon said landowner, and fix the time and manner of service of such notice, which notice shall notify him to appear at said adjourned time and place and be heard on said petition.

(2) Said notice shall be served personally or by leaving at the last usual place of abode of said unserved owners as provided in 85-8-111, not less than 8 days before said adjourned hearing, or published, not less than 14 days before said adjourned hearing, in some newspaper published in the county in which said owners' lands lie or, if no newspaper be published in said county, then in some newspaper published in an adjoining county.

**History:** En. Secs. 8, 9, Ch. 129, L. 1921; re-en. Secs. 7272, 7273, R.C.M. 1921; re-en. Secs. 7272, 7273, R.C.M. 1935; R.C.M. 1947, 89-2209, 89-2210.

**85-8-116. Procedure on adjourned day.** Upon the adjourned day the same proceedings, adjournments, trial findings, and orders may be had as in case of complete service of notice in the first instance. In case of failure to mail said notice as herein required, the court or judge may order the same mailed later and shall adjourn said hearing so that said notice shall be mailed at least 14 days before said adjourned hearing. In case of failure to publish or post notice as required in this part, the court or judge may adjourn said hearing for sufficient time to permit the due posting and publication of said notice and order said notice posted or published as directed in 85-8-111. In case of adjournment to permit notice to be given, the notice shall state the fact of such adjournment and the time and place of hearing pursuant to said adjournment.

**History:** En. Sec. 10, Ch. 129, L. 1921; re-en. Sec. 7274, R.C.M. 1921; re-en. Sec. 7274, R.C.M. 1935; R.C.M. 1947, 89-2211.

**85-8-117. Contest by landowners.** (1) On the day fixed for hearing on such petition, all parties owning lands or any interest or easement in land within said proposed district or who would be affected thereby may appear and contest:

(a) the sufficiency of the petition;

(b) the sufficiency of the signers of the petition;

(c) the sufficiency of the notice;

(d) the constitutionality of the law; and

(e) the jurisdiction of the court, specifying their objections to such jurisdiction.

(2) The petitioners and contestants may, on the trial, offer any competent evidence in regard thereto. All notices of contest shall be in writing and shall clearly specify the grounds of contest.

**History:** En. Sec. 11, Ch. 129, L. 1921; re-en. Sec. 7275, R.C.M. 1921; re-en. Sec. 7275, R.C.M. 1935; R.C.M. 1947, 89-2212.

**85-8-118. Determination of sufficiency of petition.** The court shall hear and determine whether or not the petition contains the signatures of a majority of the owners of lands within the proposed district who are of lawful age and who represent one-third in area of the lands proposed to be affected by said work or the signatures of the owners of more than one-half of such lands and shall determine all questions of law arising on said contest. The district court in which such petition shall be filed or the judge thereof may adjourn the hearing on the petition from time to time for want of sufficient notice, to give time to prepare for trial, or for other good cause.

**History:** En. Sec. 12, Ch. 129, L. 1921; re-en. Sec. 7276, R.C.M. 1921; re-en. Sec. 7276, R.C.M. 1935; R.C.M. 1947, 89-2213; amd. Sec. 9, Ch. 326, L. 1979.

**85-8-119. Receiving affidavits on question of petition sufficiency.** The affidavits of any 10 or more of the signers of the petition, stating that they have examined it and are acquainted with the locality of the district and that the petition is signed by a sufficient number of owners of lands in the district to satisfy 85-8-101, may be taken by the court or judge as prima facie evidence of the facts therein stated. The affidavit of any petitioner or other landowner before the court or represented before the court asserting his ownership of lands in the district, properly described, is sufficient evidence to the court of such facts.

**History:** En. Sec. 13, Ch. 129, L. 1921; re-en. Sec. 7277, R.C.M. 1921; re-en. Sec. 7277, R.C.M. 1935; R.C.M. 1947, 89-2214; amd. Sec. 10, Ch. 326, L. 1979.

**85-8-120. Fraudulent deeds.** All deeds made for the purpose of establishing or defeating the prayer of said petition and not made in good faith and for a valuable consideration shall be taken and held to be a fraud, and the holders thereof shall not be considered as the owners of the lands described therein.

**History:** En. Sec. 14, Ch. 129, L. 1921; re-en. Sec. 7278, R.C.M. 1921; re-en. Sec. 7278, R.C.M. 1935; R.C.M. 1947, 89-2215.

**Cross-References**

Fraud, 28-2-404 through 28-2-406.

**85-8-121. Court determination.** (1) If the court or presiding judge thereof, after hearing any and all competent evidence that may be offered for and against the petition, shall find that the same has not been signed as herein required, the petition shall be dismissed at the cost of the petitioners and judgment shall be entered against said petitioners for the amount of said costs.

(2) If it shall appear that the petition has been so signed, the court or judge shall so find and order any necessary amendments thereto; shall divide the district into three divisions, as nearly equal in area as possible; and shall appoint three suitable and competent persons as commissioners and fix their temporary bonds. In making such appointments one commissioner shall be appointed from each division, and each person so appointed a commissioner must be an actual landowner and resident of the county or counties in the division for which he is appointed such commissioner. If the district is situated in two or more counties, not more than two of said commissioners shall reside in one of said counties. Ownership of land within the district shall not disqualify a person from acting as a commissioner.

**History:** (1)En. Sec. 15, Ch. 129, L. 1921; re-en. Sec. 7279, R.C.M. 1921; re-en. Sec. 7279, R.C.M. 1935; Sec. 89-2216, R.C.M. 1947; (2)En. Sec. 16, Ch. 129, L. 1921; re-en. Sec. 7280,

**R.C.M. 1921; amd. Sec. 1, Ch. 50, L. 1925; re-en. Sec. 7280, R.C.M. 1935; Sec. 89-2217, R.C.M. 1947; R.C.M. 1947, 89-2216, 89-2217(part).**

## Part 2

## Dissolution of Districts

**85-8-201. Dissolution of districts.** Whenever the owners of more than one-half of the lands within any drainage district organized under the provisions of this chapter shall present to the district court having jurisdiction of the drainage district a petition signed by them, praying that such drainage district be dissolved, the judge of the court shall cause notice of such petition, together with a copy of the petition, to be served upon the commissioners of the district, directing them to show cause on a day certain, not less than 15 or more than 30 days from the date of the filing of the petition, why the petition should not be granted. The judge, at the time of receiving the petition, shall make an order forbidding the commissioners from incurring any further expense or proceeding with the work of constructing a drain. On the day of hearing the court shall hear the same, and if it appears that the owners of more than one-half of the lands in the drainage district have signed the petition, it shall be granted. Thereupon, the court shall make an order directing the commissioners to file a written report, under oath, setting forth the amount of the debts and obligations of the drainage district. Within 30 days after such report is filed, the court shall cause an assessment to be levied against all lands in the district on the basis of the final report of the commissioners, as confirmed by the court, and if no final report has been made, then on an area basis. The court shall also enter judgment dissolving the district and authorize the commissioners to settle the business of the district on the basis of the final report of the commissioners or on the area basis as confirmed by this court, the commissioners to render their services for same without pay.

**History: En. Sec. 7265-A by Sec. 1, Ch. 46, L. 1925; re-en. Sec. 7265.1, R.C.M. 1935; R.C.M. 1947, 89-2202; amd. Sec. 11, Ch. 326, L. 1979.**

## Part 3

## Organization and Operation

**85-8-301. Term of commissioners at creation of district.** On the creation of a district the commissioners appointed by the judge or court shall hold office until the first Tuesday in May following their appointment and until their successors are elected. When a district is in existence on March 1, 1921, and thereafter an order is made dividing such district into divisions, the terms of office of such commissioners shall cease with the Monday immediately preceding the first Tuesday in May next following.

**History: En. Sec. 18, Ch. 129, L. 1921; re-en. Sec. 7282, R.C.M. 1921; amd. Sec. 2, Ch. 50, L. 1925; re-en. Sec. 7282, R.C.M. 1935; R.C.M. 1947, 89-2301.**

**85-8-302. Election of commissioners — regular term of office.** (1) The regular election of commissioners shall be held annually in accordance with 13-1-104 and 13-1-401. The term of office of commissioners shall commence on the first Tuesday in May following their election. At the first regular election following the organization of a district and in districts organized and in existence on March 1, 1921, and which, on petition, have been divided into divisions, at the first regular election following the date of the order making such division, there shall be elected three commissioners, one commissioner being elected from each division of which he must be an actual landowner. One of the commissioners, to be determined by lot, shall hold office until the first Tuesday in May in the year following his election; another of the commissioners, to be determined by lot, shall hold office until the first Tuesday in May in the second year following his election; and the third of the commissioners shall hold office until the first Tuesday in May in the third year following his election. Thereafter one commissioner shall be elected each year, who shall hold office for a term of 3 years and until his successor is elected and qualified. The person elected as a commissioner in each year to succeed the commissioner whose term is then expiring must be elected as a commissioner from the same division as the commissioner whom he is to succeed.

(2) Each commissioner must be a resident of a county where a portion of the district lands is situated.

**History: En. Sec. 19, Ch. 129, L. 1921; re-en. Sec. 7283, R.C.M. 1921; amd. Sec. 3, Ch. 50, L. 1925; re-en. Sec. 7283, R.C.M. 1935; amd. Sec. 41, Ch. 460, L. 1977; R.C.M. 1947, 89-2302; amd. Sec. 400, Ch. 571, L. 1979; amd. Sec. 11, Ch. 27, L. 1981.**

**Cross-References**

Residence — rules for determining, 1-1-215.

**85-8-303. Repealed.** Sec. 15, Ch. 27, L. 1981.

**History: En. Sec. 7283A by Sec. 4, Ch. 50, L. 1925; re-en. Sec. 7283.1, R.C.M. 1935; R.C.M. 1947, 89-2303; amd. Sec. 401, Ch. 571, L. 1979.**

**85-8-304. Results of election.** The secretary of the board of commissioners shall enter the result of the election in the minutes of the board and file with the clerk of the district court creating the district a statement showing the names of the persons elected as commissioners, the names of the commissioners whose term will expire on the first Tuesday in May following, and the names of all of the persons who will compose the board of commissioners for the year next following the first Tuesday in May.

**History: En. Sec. 7283B by Sec. 4, Ch. 50, L. 1925; re-en. Sec. 7283.2, R.C.M. 1935; R.C.M. 1947, 89-2304; amd. Sec. 1, Ch. 171, L. 1979; amd. Sec. 402, Ch. 571, L. 1979; amd. Sec. 12, Ch. 27, L. 1981.**

**Cross-References**

Assessments on improvements — taxpayers' approval, limitations, and election procedures, 85-8-624.

**85-8-305. Qualifications of electors.** (1) At all such elections, except as herein otherwise expressly provided, the following persons holding title or evidence of title to lands within the district shall be entitled to vote:

(a) all of the persons having the qualifications of electors under the constitution and general laws of the state;

(b) guardians, administrators, executors, and trustees residing in the state;

(c) domestic corporations by their duly authorized agents.

(2) In all elections each elector shall be permitted to cast one vote for each 40 acres of land or major fraction thereof in the district owned by such elector, but any elector owning 20 acres or less shall be entitled to one vote.

**History:** **En. Sec. 7283C by Sec. 4, Ch. 50, L. 1925; re-en. Sec. 7283.3, R.C.M. 1935; R.C.M. 1947, 89-2305.**

**85-8-306. Nominations.** Candidates for the office of commissioner to be filled by election may be nominated by petition filed with the election administrator or deputy election administrator at least 75 days before the election and signed by at least five electors of the district. If no nominations are made, the electors of the district shall write on the ballots the name or names of the persons for whom they desire to vote. This section does not prevent an elector from voting for any qualified person, although the name does not appear on the official ballot.

**History:** **En. Sec. 7283D by Sec. 4, Ch. 50, L. 1925; re-en. Sec. 7283.4, R.C.M. 1935; R.C.M. 1947, 89-2306; amd. Sec. 403, Ch. 571, L. 1979; amd. Sec. 13, Ch. 27, L. 1981; amd. Sec. 41, Ch. 250, L. 1985.**

**85-8-307. Vacancies.** If a vacancy occurs in the board of commissioners, the remaining members of the board shall elect some qualified elector to fill such vacancy, and the person so elected shall hold such office for the unexpired term and until his successor is elected and qualified. The person so appointed must be appointed as a commissioner for the division in which such vacancy exists. In the event there is a vacancy or vacancies in the board of commissioners by reason of no appointment being made, due to the failure of the remaining members of the board to act or on account of no election being held, then, in that event, the judge of the court having jurisdiction over said drainage district shall, upon the receipt of a petition signed by 10% of the resident owners of land in said district, appoint to such vacancy or vacancies such person as the aforesaid petition may designate.

**History:** **En. Sec. 20, Ch. 129, L. 1921; re-en. Sec. 7284, R.C.M. 1921; amd. Sec. 5, Ch. 50, L. 1925; amd. Sec. 1, Ch. 169, L. 1929; re-en. Sec. 7284, R.C.M. 1935; R.C.M. 1947, 89-2307.**

**85-8-308. Oath and bond of commissioners — quorum.** (1) Before entering upon their duties such commissioners shall:

(a) take and subscribe an oath to support The Constitution of the United States and The Constitution of the State of Montana, to faithfully and impartially discharge their duties as such commissioners, and to render a true account of their doings to the court by which they are appointed, whenever required by law or the order of the court; and

(b) execute a bond running to the clerk of said court and his successors in office as obligees, to be filed with said clerk for the benefit of the parties interested, in an amount to be fixed by the court or presiding judge and with sureties to be approved by the court or presiding judge, conditioned for the faithful discharge of their duties as such commissioners and the faithful accounting for and application of all moneys which shall come into their hands as such commissioners.

(2) A majority shall constitute a quorum, and a concurrence of a majority in any matter within their duties shall be sufficient to its determination.

**History:** **En. Sec. 17, Ch. 129, L. 1921; re-en. Sec. 7281, R.C.M. 1921; re-en. Sec. 7281, R.C.M. 1935; R.C.M. 1947, 89-2218.**

**Cross-References**

Oaths, Title 1, ch. 6.

Bonds of county officers and employees, Title 2, ch. 9, part 7.

## 85-8-309 and 85-8-310 reserved.

**85-8-311. Record and vouchers.** The commissioners shall keep an accurate record of all moneys collected on account of the work under their charge and of all payments made by them; shall take vouchers for such payments; and shall keep full, accurate, and true minutes of all their proceedings.

**History: En. Sec. 21, Ch. 129, L. 1921; re-en. Sec. 7285, R.C.M. 1921; re-en. Sec. 7285, R.C.M. 1935; R.C.M. 1947, 89-2308.**

**85-8-312. Custody of funds.** The county treasurer of the county wherein the court having jurisdiction of such district is located shall be the custodian of all funds belonging to the district, and he shall pay out such funds upon warrants drawn by the board of commissioners of such district, except that the bonds of said district and the interest coupons thereon shall be payable as they mature, on presentation to such treasurer.

**History: En. Sec. 22, Ch. 129, L. 1921; re-en. Sec. 7286, R.C.M. 1921; re-en. Sec. 7286, R.C.M. 1935; R.C.M. 1947, 89-2309.**

**Cross-References**

Office of County Treasurer, Title 7, ch. 6, part 21.

**85-8-313. Annual report of commissioners.** On the first Tuesday of July of each year the commissioners shall file in the office of the clerk of the court having jurisdiction in the matter an itemized statement of all their receipts and disbursements and leave said report in such office for examination by parties interested at all times.

**History: En. Sec. 23, Ch. 129, L. 1921; re-en. Sec. 7287, R.C.M. 1921; re-en. Sec. 7287, R.C.M. 1935; R.C.M.1947, 89-2310.**

**85-8-314. Court control and compensation of commissioners.** (1) The commissioners shall receive for their services such compensation as the court or presiding judge thereof may determine. They shall also receive their actual reasonable expenses. They shall at all times be under the control or direction of the court or presiding judge and shall obey its or his directions; for failure to do so they shall forfeit their compensation and be dealt with summarily as for contempt. Suit may also be brought upon their bonds, in the name of the clerk of the court, and the amount recovered shall be applied to the construction of the work or to the party injured, as justice may require.

(2) The court may at any time require the commissioners to make a report on any matter or matters connected with their duties as commissioners and after due hearing may remove from office any or all of said commissioners for neglect of duty, malfeasance in office, or for other good cause. The court may at any time require the commissioners to give new bonds to the clerk of the court and may fix the amount thereof. Said bonds shall be submitted to the court or the presiding judge thereof for approval.

**History: (1)En. Secs. 24, 25, 26, Ch. 129, L. 1921; re-en. Secs. 7288, 7289, 7290, R.C.M. 1921; re-en. Secs. 7288, 7289, 7290, R.C.M. 1935; Secs. 89-2311, 89-2312, 89-2313, R.C.M. 1947; (2)En. Sec. 92, Ch. 129, L. 1921; re-en. Sec. 7356, R.C.M. 1921; re-en. Sec. 7356, R.C.M. 1935; Sec. 89-2812, R.C.M. 1947; R.C.M. 1947, 89-2311, 89-2312, 89-2313, 89-2812.**

**85-8-315. Presumption of regularity of commissioners' acts.** Commissioners of drainage districts are hereby declared to be public officers. The presumption shall be in favor of the regularity and validity of all their official acts. Whenever any report of the commissioners of any drainage district or any part of any such report is contested, remonstrated against, or called in question, the burden of proof shall rest upon the contestant, remonstrant, or questioner.

**History:** En. Sec. 95, Ch. 129, L. 1921; re-en. Sec. 7359, R.C.M. 1921; re-en. Sec. 7359, R.C.M. 1935; R.C.M. 1947, 89-2815.

**85-8-316 through 85-8-320 reserved.**

**85-8-321. Organization, appointments, and preliminary report.** (1) Within 10 days after said commissioners shall be appointed and qualified, they shall meet and organize by electing one of their number president and a secretary, who may or may not be one of their number.

(2) They shall appoint one or more attorneys to assist in the establishment of the district; advise with its officers, agents, and employees; and prepare reports and other necessary documents. The court shall allow such attorney or attorneys just compensation to be taxed in the case.

(3) They shall also appoint a competent civil and drainage engineer, who may be an individual, a partnership, or a corporation, who may employ assistants and make surveys; and who, with the approval of the court, may employ a consulting engineer or secure expert advice. The expense of the engineer, his assistants, and the consulting engineer shall be taxed as expenses under the petition. As soon thereafter as may be, they shall personally examine the lands in said district and make a preliminary report to the court, which report shall state:

(a) whether said proposed work is necessary or would be of utility in carrying out the purposes of the petition;

(b) whether the proposed work would promote the public health;

(c) whether the proposed work would promote the public welfare;

(d) whether the total benefits from said proposed work will exceed the cost thereof, together with the damages resulting therefrom, and in arriving at this, they shall include all benefits and all damages resulting therefrom both within and without said district.

(4) Said commissioners shall in said report fix, as near as may be, and report to the court the boundaries of said proposed drainage district. Said boundaries shall not be changed from those in the petition described so as to deprive the court of jurisdiction by reason of not having on the petition the required number of signers owning land within said changed boundaries.

**History:** En. Sec. 27, Ch. 129, L. 1921; re-en. Sec. 7291, R.C.M. 1921; re-en. Sec. 7291, R.C.M. 1935; R.C.M. 1947, 89-2314.

**85-8-322. Adoption of feasible plan.** If said proposed work, as described in the petition, is not best suited to carry out the purposes of the petition, the commissioners shall consider and base their report upon the one best suited to carry out those purposes and propose to the court the one considered by them.

**History:** En. Sec. 28, Ch. 129, L. 1921; re-en. Sec. 7292, R.C.M. 1921; re-en. Sec. 7292, R.C.M. 1935; R.C.M. 1947, 89-2315.

**85-8-323. Hearing and notice on preliminary report.** Upon the filing of the preliminary report the court or the presiding judge thereof shall by order fix a time and place when and where the same shall be heard at some general or special term of said court, not less than 30 days from the filing of said report. Notice of the time and place of hearing upon said preliminary report shall be given to all interested persons by publishing a brief notice of the filing of said report, including a brief statement of the substance of said report, in one or more newspapers published in each county in which any land in said proposed drainage district shall be situated (or, if no newspaper is published in said county, in one or more newspapers in an adjoining county) once in each week for 3 successive weeks prior to the day appointed for hearing thereon. Said notice shall:

(1) describe all lands included by said report in said district which were not included therein by the petition and state that such lands are to be included in said district; and

(2) describe all lands excluded from said district which were by the petition included therein and shall state that such lands are to be excluded from said district.

**History:** En. Sec. 29, Ch. 129, L. 1921; re-en. Sec. 7293, R.C.M. 1921; re-en. Sec. 7293, R.C.M. 1935; R.C.M. 1947, 89-2316.

**85-8-324. Adjournment of hearing or trial of issues.** Upon the day fixed for hearing upon said report, said court may adjourn said hearing for good cause or may proceed to hear, try, and determine all issues arising upon said report.

**History:** En. Sec. 30, Ch. 129, L. 1921; re-en. Sec. 7294, R.C.M. 1921; re-en. Sec. 7294, R.C.M. 1935; R.C.M. 1947, 89-2317.

**85-8-325. Remonstrance by interested parties.** Any interested party may appear and remonstrate against said report or any material part thereof. All remonstrances shall be in writing, be verified on oath, be filed at least 5 days before the day fixed for hearing, and shall set forth the facts upon which they are based.

**History:** En. Sec. 31, Ch. 129, L. 1921; re-en. Sec. 7295, R.C.M. 1921; re-en. Sec. 7295, R.C.M. 1935; R.C.M. 1947, 89-2318.

**85-8-326. Service of owners of added lands.** When lands are added to the district, the owners thereof shall be served with said notice as provided for serving of notice of hearing on the petition.

**History:** En. Sec. 32, Ch. 129, L. 1921; re-en. Sec. 7296, R.C.M. 1921; re-en. Sec. 7296, R.C.M. 1935; R.C.M. 1947, 89-2319.

**85-8-327. Procedure at court hearing and order.** (1) All issues arising upon said preliminary report shall be tried by the court without a jury.

(2) If the court shall find in favor of the remonstrance or if said report be that the proposed work will not promote the public health and will not promote the public welfare or that the benefits from said proposed work will not exceed the damages and cost of construction and no remonstrance against said report is filed, the petition shall be dismissed, the costs taxed against the petitioners, and judgment entered therefor, as provided in 85-8-350.

(3) If the preliminary report be that the benefits of said proposed work (or work proposed by the commissioners) will exceed the damages and the cost

of construction and that the public health will be promoted thereby or that the public welfare will be promoted thereby and no remonstrance thereto is filed or if on the trial of the issues made on said report the court finds that the benefits will exceed the damages and cost of construction and that the public health or the public welfare will be promoted by said proposed work, the court shall make and file such findings in writing and make an order confirming said report or directing amendment of the report to conform to the findings of said court, and when so amended the court shall by order confirm the same and direct said commissioners to proceed with said work with all convenient speed.

(4) Such findings and order shall be final and conclusive unless appealed from to the supreme court within 30 days after filing thereof.

**History: En. Secs. 33, 34, 35, Ch. 129, L. 1921; re-en. Secs. 7297, 7298, 7299, R.C.M. 1921; re-en. Secs. 7297, 7298, 7299, R.C.M. 1935; R.C.M. 1947, 89-2320, 89-2321, 89-2322.**

**Cross-References**

Judgment on dismissal of proceedings — assessment of costs, 85-8-350.

**85-8-328. Corporate nature of drainage district.** (1) Upon entering of such order of confirmation of said preliminary report of record, such drainage district shall be and is thereby declared to be organized as a drainage district, by the name mentioned in said petition or such other name as the court shall fix, with the boundaries fixed by the order confirming the report of said commissioners, to be a body corporate, by said name fixed in said order, with the right to sue and be sued, to adopt and use a seal, and to have perpetual succession.

(2) The commissioners appointed as aforesaid and their successors in office shall, from the entry of such order of confirmation, constitute the corporate authority of said drainage district, exercise the functions conferred on them by law, and do all things and perform all acts necessary to the construction and preservation of the proposed work.

**History: En. Secs. 36, 37, Ch. 129, L. 1921; re-en. Secs. 7300, 7301, R.C.M. 1921; re-en. Secs. 7300, 7301, R.C.M. 1935; R.C.M. 1947, 89-2323, 89-2324.**

**85-8-329. Necessity of preliminary proceedings.** All proceedings herein required, prior to the entry of such order of confirmation of record, shall be deemed to be and are hereby declared to be necessary to the formation of said body corporate.

**History: En. Sec. 38, Ch. 129, L. 1921; re-en. Sec. 7302, R.C.M. 1921; re-en. Sec. 7302, R.C.M. 1935; R.C.M. 1947, 89-2325.**

**85-8-330 through 85-8-340 reserved.**

**85-8-341. Preparation of report — contents.** (1) As soon as may be after the confirmation of the preliminary report or within such time as the court may direct, said commissioners shall proceed to have all necessary levels taken and surveys made and shall lay out said proposed work; make a map thereof and plans, profiles, and other specifications thereof; and report in writing to the court:

(a) whether the starting points, routes, and termini of the proposed work and the proposed location thereof as contained in the petition are in all respects proper and feasible and, if not, shall report such as are most proper and feasible;

(b) if it be found necessary to change the boundaries of said proposed district, as fixed by them previously, they shall report said proposed change and, if possible, shall report the names, residence, and post-office addresses of the owner or owners of all lands affected by said change in boundaries, but no such change in boundaries shall be made as to deprive the court of jurisdiction; provided, however, that if the owners of lands adjacent to the district petition to have their lands brought into the district such may be considered the same as original petitioners in making changes of boundaries;

(c) what lands within the district, as reported by them, will be injured by the proposed work, if any, and they shall therein award to each tract, lot, easement, or interest, by whomsoever held, the amount of damages which they shall determine will be caused to the same by the proposed work;

(d) what lands (including improvements when improvements receive benefits), easements, irrigation ditches, cities, towns, counties, individuals, and other corporations and persons should be assessed for the payment of any part of the cost of constructing the proposed drains, levees, or other facilities, repairs thereto, maintenance thereof, and the incidental expenses attached to the establishment of such drainage district;

(e) the total amount, as near as they can determine, that said proposed work will cost, which cost shall include all incidental expenses, the reasonable cost of organizing said district, the costs of proceeding and all probable damage to lands, both within and without the district, together with a reasonable attorney fee for the petitioners, which cost will hereinafter be referred to as cost of construction.

(2) If the cost of construction of any particular part of the work so proposed to be done should be assessed upon any particular tract or tracts, lot or lots of land, including improvements where the same are benefited or upon any corporation or corporations, the commissioners shall so specify, and in their report they shall fix and determine the sums which should be assessed against said tracts, lots, and corporations and assess such sum against said tracts, lots, and corporations.

(3) If any individual, association of individuals, or corporation would, in the judgment of said commissioners, derive special benefits from the whole or any part of such proposed work, the commissioners shall so report and assess those benefits and assess against the recipient thereof its proportionate share of the costs of said proposed work. The word "corporation", whenever contained in this chapter, shall be construed to include:

(a) railroad companies;
(b) other private and quasi-public corporations of all kinds;
(c) towns;
(d) cities;
(e) villages;
(f) other drainage districts; and
(g) counties.

(4) They shall apportion and assess the part of this cost of construction, not assessed as above, against the several benefited tracts, lots (including improvements when the same are benefited), and easements in said drainage district, in proportion to the benefits which they have assessed against the

same, by setting down opposite each tract, lot, or easement the sum which they assess against the same for construction. The assessments which together make up the cost of construction, as above defined, are herein referred to as assessments for construction.

(5) The commissioners shall further report to the court the probable cost of keeping said proposed work in repair after it is completed.

(6) They shall include in their report said map, plans, and other specifications and file the same with their report.

History: (1)(a) thru (1)(c)En. Secs. 39, 40, 41, 42, Ch. 129, L. 1921; re-en. Secs. 7303, 7304, 7305, 7306, R.C.M. 1921; re-en. Secs. 7303, 7304, 7305, 7306, R.C.M. 1935; Secs. 89-2326, 89-2327, 89-2328, 89-2329, R.C.M. 1947; (1)(d)En. Sec. 43, Ch. 129, L. 1921; re-en. Sec. 7307, R.C.M. 1921; amd. Sec. 2, Ch. 169, L. 1929; re-en. Sec. 7307, R.C.M. 1935; amd. Sec. 1, Ch. 409, L. 1973; Sec. 89-2330, R.C.M. 1947; (1)(e)En. Sec. 44, Ch. 129, L. 1921; re-en. Sec. 7308, R.C.M. 1921; re-en. Sec. 7308, R.C.M. 1935; Sec. 89-2331, R.C.M. 1947; (2)En. Sec. 45, Ch. 129, L. 1921; re-en. Sec. 7309, R.C.M. 1921; re-en. Sec. 7309, R.C.M. 1935; amd. Sec. 2, Ch. 409, L. 1973; Sec. 89-2332, R.C.M. 1947; (3)En. Sec. 46, Ch. 129, L. 1921; re-en. Sec. 7310, R.C.M. 1921; re-en. Sec. 7310, R.C.M. 1935; amd. Sec. 3, Ch. 409, L. 1973; Sec. 89-2333, R.C.M. 1947; (4)En. Sec. 47, Ch. 129, L. 1921; re-en. Sec. 7311, R.C.M. 1921; re-en. Sec. 7311, R.C.M. 1935; amd. Sec. 4, Ch. 409, L. 1973; Sec. 89-2334, R.C.M. 1947; (5)En. Sec. 48, Ch. 129, L. 1921; re-en. Sec. 7312, R.C.M. 1921; re-en. Sec. 7312, R.C.M. 1935; Sec. 89-2335, R.C.M. 1947; (6)En. Sec. 49, Ch. 129, L. 1921; re-en. Sec. 7313, R.C.M. 1921; re-en. Sec. 7313, R.C.M. 1935; Sec. 89-2336, R.C.M. 1947; R.C.M. 1947, 89-2326, 89-2327, 89-2328, 89-2329, 89-2330(part), 89-2331, 89-2332, 89-2333, 89-2334, 89-2335, 89-2336.

**85-8-342. Apportionment of costs.** (1) In apportioning the costs and expenses mentioned in 85-8-341(1)(d), the following classes of property, persons, corporations, and municipalities shall be assessed:

(a) all lands which are swampy, bogged, or waterlogged and will be relieved and improved by virtue of the construction of the proposed drainage system;

(b) all lands which are becoming or are liable to become swampy, bogged, or waterlogged and which the construction of the proposed drainage system will prevent from being thus affected;

(c) all lands from which surface or seepage waters will enter or can be conducted into the proposed drainage system;

(d) all lands and improvements thereto upon which or through which surface or seepage water will be prevented from flowing or can be prevented from flowing by virtue of the construction of the proposed drainage system;

(e) all lands or improvements which will sustain any direct benefit of any kind or character whatsoever;

(f) all railways, whether operated by steam, electricity, or otherwise, whose right-of-way or roadbed will be benefited or can be benefited by reason of the construction of the proposed drainage system or levee project;

(g) all public utilities whose easements or other facilities within the district will receive benefit from the proposed work;

(h) all owners of irrigation ditches or canals included within said district or from which water seeps, drains, or wastes to, upon, or through lands included within the district;

(i) the county or counties which the proposed drainage system traverses or which will be benefited as to public health, convenience, welfare, or improvement of any public highway;

(j) all incorporated cities or towns and lands included within townsites and subdivisions, in whole or in part, directly benefited by reason of the construction of the proposed drainage system.

(2) In apportioning the costs and expenses mentioned in 85-8-341(1)(d), the following principles shall be regarded:

(a) All of the above classes of lands, improvements, railways, public utilities, irrigation ditches, counties, cities, towns, townsites, and subdivisions shall be liable to assessment for the construction of the proposed drainage system in such proportions as may seem just and equitable.

(b) The benefits to accrue from the construction of the proposed drainage system to a railway, county, incorporated city or town, and lands included within a platted townsite or subdivision being of a different character than those to accrue to agricultural lands shall be considered in apportioning the assessment, and also the damages and inconvenience caused by seepage and waste waters from irrigation ditches and from the higher lands shall be considered in apportioning the assessment to them.

(c) In the case of the construction of levees or other flood control facilities, lands and improvements which are located or constructed at an elevation which is greater than the elevation of the design flood level which said levees or other flood control facilities are designed to protect against shall not be assessed for the payment of any part of the cost of constructing the levees or other flood control facilities, nor shall such lands or improvements be assessed for the payment of any part of the cost for repairs thereto, maintenance thereof, or the incidental expenses attached to the establishment of such drainage district.

(d) The assessment against each tract, lot, easement, town, city, county, irrigation ditch, railroad, public utility, individual, or corporation owner thereof which will be benefited by the proposed work or which, in any manner, contributes to the swamped, seeped, bogged, or waterlogged condition of any land within said district and the proportionate share of cost of construction of the proposed drainage system which each of them should bear shall be shown in tabular form, the columns of which shall be headed as follows: Column 1—Owners of property assessed; 2—Description of property assessed; 3—Number of acres assessed; 4—Amount of benefits assessed; 5—Number of acres taken for right-of-way; 6—Value of property taken; 7—Damages; 8—Assessment for costs; which shall be known as the assessment roll. Where property, persons, or corporations, public or private, contribute to the damaged condition of the lands to be reclaimed, it shall not be necessary to assess in such assessment roll the benefits to be derived by or accruing to them.

**History: En. Sec. 43, Ch. 129, L. 1921; re-en. Sec. 7307, R.C.M. 1921; amd. Sec. 2, Ch. 169, L. 1929; re-en. Sec. 7307, R.C.M. 1935; amd. Sec. 1, Ch. 409, L. 1973; R.C.M. 1947, 89-2330(part).**

**Cross-References**

Procedure to levy additional assessments, 85-8-615.

**85-8-343. Commissioners to use most feasible plan.** The commissioners shall not be confined to the points of commencement, routes, or termini of the drains or ditches or the number, extent, or size of the same or the location, plan, or extent of any levee, ditch, or other work as proposed by the petitioners but shall locate, design, lay out, and plan the same in such manner as to them shall seem best to promote the public health or welfare and to drain or to protect the lands, including improvements, of the parties interested with the least damage and the greatest benefit to all lands affected thereby. Any plan proposed by the commissioners may, on the application of any interested person, on the hearing provided for hereinafter, or on the application of the commissioners, be altered by the court, by written order, in such manner as shall appear to the court to be just.

**History:** En. Sec. 50, Ch. 129, L. 1921; re-en. Sec. 7314, R.C.M. 1921; re-en. Sec. 7314, R.C.M. 1935; amd. Sec. 5, Ch. 409, L. 1973; R.C.M. 1947, 89-2337.

**85-8-344. Alteration of boundaries.** If the commissioners find that the proposed district, as described in the filed petition, will not embrace all of the lands, including improvements, that will be benefited by the proposed work or that it will include lands that will not be benefited and are not necessary to be included in said district for any purpose, they shall extend or contract the boundaries of the proposed district so as to include or exclude all such lands or improvements, as the case may be, and the boundaries adopted and reported by them, upon the hearing of their report, as hereinafter provided, upon their application or that of any person interested, may be altered by the court in such manner as shall appear to be just; provided, that the alteration of boundaries as aforesaid shall not have the effect of so far enlarging or contracting the proposed district as to render such petition void or dismissable. Said report shall be filed with the clerk of the court.

**History:** En. Sec. 51, Ch. 129, L. 1921; re-en. Sec. 7315, R.C.M. 1921; re-en. Sec. 7315, R.C.M. 1935; amd. Sec. 6, Ch. 409, L. 1973; R.C.M. 1947, 89-2338.

**85-8-345. Notice of hearing of report.** (1) Upon the filing of such report, the court shall make an order fixing the time and place when and where all interested persons may appear and remonstrate against the confirmation thereof. The clerk of such court shall cause notice to be given to all parties interested by publication thereof for at least 3 successive weeks before the date of such hearing in at least one newspaper in each county wherein lands located in such district are situate, which notice shall contain a statement of the time and place of the hearing of said report and a brief statement of the substance thereof.

(2) Upon a date not later than the date of the first publication of the notice referred to in the last subsection, the clerk of such court shall also cause to be mailed to each of the persons or corporations recommended by said report to be assessed or whose lands are recommended by said report to be included in said district, at his or its last known post-office address, a notice containing a brief description of the land or easement belonging to such person or corporation benefited or damaged; the net damage awarded to such tract, parcel, easement, or corporation; and the sum assessed against such benefited parcel, tract, easement, or corporation.

**History:** En. Secs. 52, 53, Ch. 129, L. 1921; re-en. Secs. 7316, 7317, R.C.M. 1921; re-en. Secs. 7316, 7317, R.C.M. 1935; R.C.M. 1947, 89-2339, 89-2340.

**85-8-346. Modification of report.** If the court finds that the report requires modification, the same may, by order of the court, be referred back to the commissioners, who may be required to modify it in any respect.

**History:** En. Sec. 54, Ch. 129, L. 1921; re-en. Sec. 7318, R.C.M. 1921; re-en. Sec. 7318, R.C.M. 1935; R.C.M. 1947, 89-2341.

**85-8-347. Confirmation of report — appeals.** If there be no remonstrance or if the finding be in favor of the validity of the proceedings or after the report shall have been modified to conform to the findings, the court shall confirm the report. The order of confirmation shall be final and conclusive, the proposed work shall be established and authorized, and the proposed assessments approved and confirmed unless within 30 days an appeal be taken to the supreme court. The said order of confirmation shall also fix the commissioners' bond.

**History: En. Sec. 55, Ch. 129, L. 1921; re-en. Sec. 7319, R.C.M. 1921; re-en. Sec. 7319, R.C.M. 1935; R.C.M. 1947, 89-2342.**

**Cross-References**

Construction assessments — annual installment, 85-8-611.

**85-8-348. Modification of court order.** Said order of confirmation may, at the same or at any subsequent term of said court, be revised, modified, or changed, in whole or in part, on petition of the commissioners, after such notice to parties adversely interested as the court may require.

**History: En. Sec. 56, Ch. 129, L. 1921; re-en. Sec. 7320, R.C.M. 1921; re-en. Sec. 7320, R.C.M. 1935; R.C.M. 1947, 89-2343.**

**85-8-349. Supplemental report.** At any time prior to making the order confirming said report or thereafter, the court may permit the commissioners to present and file a supplemental report or amend their report as to any matter which, pursuant to the provisions hereof, was or might have been included in the original report presented by them, and after reasonable notice given to all parties interested, in such manner as the court shall direct, the court may, upon the hearing in said matter, make such order as the case may require.

**History: En. Sec. 57, Ch. 129, L. 1921; re-en. Sec. 7321, R.C.M. 1921; re-en. Sec. 7321, R.C.M. 1935; R.C.M. 1947, 89-2344.**

**85-8-350. Judgment on dismissal of proceedings — assessment of costs.** (1) In case the petition or proceedings are dismissed as provided in 85-8-327, a judgment shall be entered for the costs, expenses, and liabilities incurred in said proceedings against the petitioners and in favor of the commissioners, but for the benefit of those who have rendered services or advanced money in the prosecution of said proceedings or have recovered costs on successful contests therein.

(2) In case the proceedings are dismissed at any time or the district is discontinued for any cause subsequent to the time provided in 85-8-327, a judgment shall be entered directing the commissioners of the district to assess the costs, expenses, and liabilities incurred in said proceedings, up to and including the time of such dismissal and discontinuation, on an acreage basis against the lands in said district, which assessment shall be a lien upon said lands from the date of said judgment superior to the lien of any other judgment, mortgage, or construction lien against said lands. Said assessment shall be verified by the commissioners of the district the same as assessments to pay costs of construction. Such assessments shall be spread upon the tax rolls of the counties in which said district is situated and shall be collected by the county treasurers of such counties the same as assessments to pay costs of

construction are collected. Such assessments shall be payable on or before November 30 following the date upon which they are so spread upon the assessment roll of such counties. The money so collected shall be paid out upon warrants issued by the commissioners of the district to those who have rendered service or advanced money in connection with said district or have recovered costs on successful contests therein. Should such assessment, for any cause, be not sufficient for all such costs, expenses, and liabilities, then additional assessments shall be made and collected in like manner until sufficient funds have been raised to pay all such costs, expenses, and liabilities.

**History: En. Sec. 58, Ch. 129, L. 1921; re-en. Sec. 7322, R.C.M. 1921; amd. Sec. 3, Ch. 169, L. 1929; re-en. Sec. 7322, R.C.M. 1935; R.C.M. 1947, 89-2345; amd. Sec. 149, Ch. 370, L. 1987.**

**Cross-References**

Procedure at court hearing and order, 85-8-327.

**85-8-351. Statement of costs before entry of judgment.** Before any such judgment is entered, said commissioners shall file with the clerk of the district court in which said proceedings were instituted an itemized statement of such costs and expenses, duly verified, upon which an order shall issue requiring said petitioners or landowners to show cause before said court, at a time and place named, why judgment should not be entered against said petitioners or landowners for the amount of said costs and expenses. Notice of the hearing of said order to show cause shall be given to said petitioners or landowners by mailing to each a copy thereof, to their last known post-office address, at least 20 days prior to the time set for hearing and by publication of the same in one or more newspapers published in the county where the proceedings are pending at least 3 successive weeks prior to the day set for such hearing. Said notice need not contain an itemized statement of said account.

**History: En. Sec. 59, Ch. 129, L. 1921; re-en. Sec. 7323, R.C.M. 1921; amd. Sec. 4, Ch. 169, L. 1929; re-en. Sec. 7323, R.C.M. 1935; R.C.M. 1947, 89-2346.**

**85-8-352. Contribution among petitioners.** All petitioners shall, among themselves, contribute to the payment of said judgment in proportion to the number of acres of land they have within the boundaries of the proposed district at the time of filing of said petition.

**History: En. Sec. 60, Ch. 129, L. 1921; re-en. Sec. 7324, R.C.M. 1921; re-en. Sec. 7324, R.C.M. 1935; R.C.M. 1947, 89-2347.**

**85-8-353 through 85-8-360 reserved.**

**85-8-361. Contracts.** In all cases where the work to be done at any one time under the direction of the commissioners shall, in their opinion, cost to exceed $2,500, the same shall be let to the lowest responsible bidder, and the commissioners shall advertise for sealed bids, by notice published in some newspaper published in the county in which the petition is filed, and may advertise in one or more newspapers published elsewhere. If there be no newspaper published in the county in which the petition is filed, they shall advertise in some newspaper published in an adjoining county, which notice shall particularly set forth the time and place when and where the bids advertised will be opened, the kind of work to be let, and the terms of payment. Said commissioners may continue the letting from time to time, if in their judgment the same shall be necessary, and shall reserve the right to reject any and all bids.

**History:** **En. Sec. 81, Ch. 129, L. 1921; re-en. Sec. 7345, R.C.M. 1921; re-en. Sec. 7345, R.C.M. 1935; R.C.M. 1947, 89-2801.**

**Cross-References**

Public contracts, Title 18, ch. 1.

**85-8-362. Interest of commissioners in contracts forbidden.** The commissioners shall not, during their term of office, be interested, directly or indirectly, in any contract for the construction of any drain, ditch, levee, or other work in such drainage district; in the sale of materials therefor; or in the wages of or supplies for men or teams employed on any such work in said district.

**History:** **En. Sec. 82, Ch. 129, L. 1921; re-en. Sec. 7346, R.C.M. 1921; re-en. Sec. 7346, R.C.M. 1935; R.C.M. 1947, 89-2802.**

**85-8-363. Commissioners' right of entry.** The commissioners, their agents, servants, and employees shall have the right to go upon all lands along any drain, ditch, levee, or embankment in their district to inspect, deepen, widen, and repair the same, whenever necessary, doing no unnecessary damage, and shall not be liable for trespass therefor.

**History:** **En. Sec. 70, Ch. 129, L. 1921; re-en. Sec. 7334, R.C.M. 1921; re-en. Sec. 7334, R.C.M. 1935; R.C.M. 1947, 89-2406.**

**Cross-References**

Special projects — entry on land, 85-1-406.

Surface and ground water — entry on land, 85-2-115.

**85-8-364. Payment or tender of damages.** (1) The damages allowed to the owners of lands shall be paid or tendered before the commissioners shall be authorized to enter upon the lands (for damage to which the award is made) for the construction of any drains, ditches, or levees proposed thereon. If the owner is unknown or there shall be a contest in regard to the ownership of the land or the owner will not receive payment or there exists a mortgage or other lien against the same or the commissioners cannot for any other reason pay him, they may deposit the same damages with the clerk of the court, for the benefit of the owner or parties interested, to be paid or distributed as the court shall direct, and such payment shall have the same effect as the tender to and acceptance of the damages awarded by the true owner of the land.

(2) This section shall not, however, prevent said commissioners, their agents, servants, and employees going upon said lands to do any and all work found necessary prior to making their assessment of benefits and award of damages and the trial on their report thereof.

**History:** **En. Sec. 83, Ch. 129, L. 1921; re-en. Sec. 7347, R.C.M. 1921; re-en. Sec. 7347, R.C.M. 1935; R.C.M. 1947, 89-2803.**

**85-8-365. Location of drains.** When practicable, said drains provided for herein shall be laid out and constructed on the side of public highways or along natural watercourses.

**History:** **En. Sec. 84, Ch. 129, L. 1921; re-en. Sec. 7348, R.C.M. 1921; re-en. Sec. 7348, R.C.M. 1935; R.C.M. 1947, 89-2804.**

**85-8-366. Drains on railroad lands.** (1) Said commissioners shall have the right to lay out and construct all necessary drains, ditches, and levees across any railway right-of-way or yards in their district. Any railway company whose right-of-way or yards cross the line of any proposed drain, ditch, or levee shall open its right-of-way or yards and permit such drain, ditch, or levee to cross the same as soon as said drain, ditch, or levee is constructed to such right-of-way.

(2) Every drainage district shall be liable to the railway company whose right-of-way or yard any of its drains, ditches, or levees cross for the reasonable cost of the culverts and bridges made necessary by said drain, ditch, or levee crossing said right-of-way or yards but not of more expensive character than the average other culverts and bridges on said division of railway crossing streams or ditches of approximately the same width and depth and within 100 miles of said district ditches.

(3) Upon receiving 15 days' notice in writing, any railway company in whose right-of-way or yard any such drain, ditch, or levee is laid out shall open its right-of-way or yards and permit said commissioners and their contractors, agents, and employees to construct said drain, ditch, or levee or to repair, maintain, or clean out same across said right-of-way or yards. For every day after the end of said 15 days that said railroad company fails to open its said right-of-way or yard, as hereinbefore required, it shall forfeit $25 to said drainage district, to be collected in an action, as other forfeitures are collected, or set off against any damages that have been awarded to such company. If said railway company fails to open its right-of-way or yard along the line of said drainage district, drain, ditch, or levee, the commissioners may, at any time after the expiration of said 15 days, open such right-of-way and yard along the line of said drains, ditches, and levees and construct the same.

**History:** En. Secs. 71, 72, 73, Ch. 129, L. 1921; re-en. Secs. 7335, 7336, 7337, R.C.M. 1921; re-en. Secs. 7335, 7336, 7337, R.C.M. 1935; R.C.M. 1947, 89-2407, 89-2408, 89-2409.

**Cross-References**

Crossing of roads and streams, 69-14-535.

**85-8-367. Commissioners' powers during emergency.** Commissioners having charge of any completed drain, ditch, levee, or other work constructed under any drainage law of the state of Montana, whether now in force or repealed, shall be authorized, in the case of an emergency, to make such repairs as may be necessary for the preservation and protection of the work under their control.

**History:** En. Sec. 63, Ch. 129, L. 1921; re-en. Sec. 7327, R.C.M. 1921; amd. Sec. 5, Ch. 169, L. 1929; amd. Sec. 1, Ch. 97, L. 1931; re-en. Sec. 7327, R.C.M. 1935; R.C.M. 1947, 89-2350(part).

**Cross-References**

Authority to borrow money and issue notes or bonds, 85-8-501.

**85-8-368. Annual report — objections.** (1) The commissioners shall, on or before the first Tuesday of March of each year, file with the clerk of court having jurisdiction a report in which they shall specify in detail:

(a) the emergency repairs which they have made during the preceding year;

(b) the labor and repairs then necessary to the preservation and protection of the work under their control;

(c) the places where such labor and repairs are especially needed;

(d) the amount of the outstanding indebtedness of the district; and

(e) the sum to be assessed against each tract, lot, easement, or corporation to pay all emergency repairs theretofore done, necessary labor and repairs to be done during the ensuing year, maintenance, incidental expenses, and interest on and principal of all outstanding indebtedness.

(2) No notice of the filing of such report shall be necessary. All such assessments shall be apportioned on the last assessment roll of drain districts or on the last assessments in drainage districts confirmed by the court having jurisdiction thereof.

(3) Within 30 days after filing such annual report, at a time and place to be fixed by the court or presiding judge, the court or presiding judge shall examine said report, hear all objections to the same, fix and determine the amount of such assessments, and cause such adjudication to be entered of record in said court and a certified copy of the same to be delivered to said commissioners.

**History: (1), (2)En. Sec. 63, Ch. 129, L. 1921; re-en. Sec. 7327, R.C.M. 1921; amd. Sec. 5, Ch. 169, L. 1929; amd. Sec. 1, Ch. 97, L. 1931; re-en. Sec. 7327, R.C.M. 1935; Sec. 89-2350, R.C.M. 1947; (3)En. Sec. 64, Ch. 129, L. 1921; re-en. Sec. 7328, R.C.M. 1921; re-en. Sec. 7328, R.C.M. 1935; Sec. 89-2351, R.C.M. 1947; R.C.M. 1947, 89-2350(part), 89-2351.**

## Part 4

## Alteration of District

**85-8-401. Alterations or additions to district — petition required.** (1) Whenever, in the judgment of the commissioners of any drain district or drainage district, it is necessary or will be beneficial to such district to make any alteration and/or any addition to the drainage system of such district, they shall file a petition with the clerk of the court having jurisdiction of such district, in which shall be stated:

(a) the proposed alteration of and/or the proposed addition to the drainage system of said district;

(b) the necessity therefor; and

(c) the probable cost of making such alteration and/or addition.

(2) Whenever such commissioners shall fail or refuse to file such petition or in event any landowners desire to file such petition, such petition may be filed by such landowners, provided the same be signed by the owners of at least 40% in area of the lands in said district.

**History: En. Sec. 7364C by Sec. 2, Ch. 97, L. 1931; re-en. Sec. 7364.3, R.C.M. 1935; amd. Sec. 1, Ch. 70, L. 1953; R.C.M. 1947, 89-2702.**

**85-8-402. Hearing — notice and service.** Upon the filing of such petition, a judge of said district court shall set the same for hearing and direct the clerk of such court to give notice thereof. Such notice shall contain a concise statement of the proposed alteration and/or addition and the estimated cost thereof, which notice must be served and published at least 20 days before the date fixed for such hearing. Service of such notice shall be made by certified or registered mail, addressed to each landowner and corporation that may be liable for the payment of any portion of the cost of making such alteration and/or addition, at his or its post-office address, if the same can be ascertained by the exercise of due diligence. Such notice shall be published once a week for 20 days prior to such date in some newspaper, to be designated in the order fixing the date for such hearing, published in the county where said court is held; provided, however, that if all interested landowners and corporations are so served, such notice need not be published.

**History:** **En. Sec. 7364D by Sec. 2, Ch. 97, L. 1931; re-en. Sec. 7364.4, R.C.M. 1935; R.C.M. 1947, 89-2703.**

**85-8-403. Court order — dismissal of petition.** (1) Any such landowner or corporation may, at any time prior to 5 days before the date fixed for such hearing, file his or its objections to such petition. A copy of such objections shall be delivered to the attorney for said commissioners, if they have an attorney of record, or to the chairman of the board of commissioners of said district, if there be no such attorney of record, prior to filing the original thereof with the clerk of said court.

(2) If objections are made and filed by the owners of at least 75% in area of the lands in said district, said petition shall be dismissed and no further proceedings had thereon. If the owners of less than 75% in area of the lands in said district object to such petition, then, on the date fixed for such hearing or upon any day to which such hearing may be adjourned, the court having jurisdiction will hear testimony in support of said petition and in opposition thereto.

(3) After such hearing the court shall determine whether the proposed alteration and/or addition is necessary, whether it will be beneficial to said district and improve the drainage system thereof, and either approve or deny such petition or modify and change the proposed alteration and/or addition. If the court shall approve such petition or modify and change the alteration and/or addition proposed, the court shall by order direct said commissioners to proceed with said work with all convenient speed.

(4) So far as possible, such hearing shall be conducted as other hearings and trials in the district courts of the state of Montana, and the laws of the state of Montana with reference to hearings and trials, so far as applicable, shall govern in the conduct of such hearings.

**History:** **En. Sec. 7364E by Sec. 2, Ch. 70, L. 1931; re-en. Sec. 7364.5, R.C.M. 1935; amd. Sec. 2, Ch. 70, L. 1953; R.C.M. 1947, 89-2704.**

**85-8-404. Appeals and assessments.** Any party interested in such hearing, deeming himself aggrieved by the order of the court thereon, may appeal from such order to the supreme court of Montana within 30 days after the entry of such order. If no such appeal is taken within the time limit, the order of the court made upon such hearing will be final and conclusive. If any such alterations and/or additions are authorized by such order, the same shall be made by the commissioners of said district and the cost thereof apportioned in accordance with the last assessment roll of any such drain district or in accordance with the last assessments of any such drainage district confirmed by the court.

**History:** **En. Sec. 7364F by Sec. 2, Ch. 97, L. 1931; re-en. Sec. 7364.6, R.C.M. 1935; R.C.M. 1947, 89-2705.**

**85-8-405. Exclusion of lands from district.** Any lands within a drainage district, which district is not bonded or indebted and which lands have not been and will not in the future be benefited by the drainage system of the district and which lands do not contribute water to seep other lands in the district, may be excluded or eliminated from said district by an order of the district court of the county wherein the said lands are situate upon the proceedings hereinafter set forth being had.

**History:** En. Sec. 1, Ch. 155, L. 1941; R.C.M. 1947, 89-2706.

**85-8-406. Court action — parties.** An action for the exclusion of lands from any such drainage district may be brought in the district court of the county wherein said lands are situated by the owner or owners in fee of said lands, who shall be designated as the plaintiff or plaintiffs, and in said action the members of the board of drainage commissioners of said drainage district shall be made defendants.

**History:** En. Sec. 2, Ch. 155, L. 1941; amd. Sec. 1, Ch. 196, L. 1943; R.C.M. 1947, 89-2707.

**85-8-407. Complaint required — contents.** (1) Said action shall be commenced by filing in the office of the clerk of the district court a complaint which must contain:

(a) the title of the action, the name of the court and the county in which the action is brought, and the names of the parties to the action;

(b) a statement of the facts constituting the cause of the action, in ordinary and concise language;

(c) a demand for the relief which the plaintiff claims.

(2) The complaint shall be verified in the same manner as complaints in other civil actions.

**History:** En. Sec. 3, Ch. 155, L. 1941; R.C.M. 1947, 89-2708.

**85-8-408. Summons.** (1) Upon the filing of the complaint the clerk of the court shall issue a summons which shall contain, in addition to the matters specified in Rules 4 and 12(a), Montana Rules of Civil Procedure, a brief statement of the relief demanded and a description of the lands sought to be excluded from the drainage district.

(2) The summons shall be served upon the president and secretary of the board of drainage commissioners, and such service shall be deemed as service upon the drainage district.

**History:** (1)En. Sec. 4, Ch. 155, L. 1941; Sec. 89-2709, R.C.M. 1947; (2)En. Sec. 5, Ch. 155, L. 1941; amd. Sec. 2, Ch. 196, L. 1943; Sec. 89-2710, R.C.M. 1947; R.C.M. 1947, 89-2709, 89-2710.

**85-8-409. Rules of practice applicable.** The same rules relative to the filing of answers and replies relative to other causes of action affecting the title to real property shall apply in actions to exclude lands from a drainage district, and all issues arising may be tried by the court without a jury.

**History:** En. Sec. 6, Ch. 155, L. 1941; amd. Sec. 45, Ch. 460, L. 1977; R.C.M. 1947, 89-2711.

**85-8-410. Court order excluding lands.** If the issue shall be found in favor of the plaintiff, the court may make its order describing the lands to be excluded from the district, and a certified copy of the same shall be filed in the office of the county recorder of the county wherein the lands are situate. From and after the date of such order the lands shall no longer be liable for any assessment levied by the district against the lands excluded.

**History:** **En. Sec. 7, Ch. 155, L. 1941; R.C.M. 1947, 89-2712.**

**85-8-411. Appeals.** Appeals may be taken from the orders and judgments of the district court to the supreme court of the state of Montana in the same manner as appeals in other causes of action affecting the title to real property.

**History:** **En. Sec. 8, Ch. 155, L. 1941; R.C.M. 1947, 89-2713.**

**Cross-References**

Appeals to the Supreme Court, Title 25, ch. 21.

**85-8-412 through 85-8-420 reserved.**

**85-8-421. Procedure to bring other drained lands into district.** (1) Whenever any drained lands outside a drainage district are receiving the benefits of the drains of said district, by direct or indirect, natural or artificial connection therewith, the commissioners of said district may report said facts to the court and ask that said lands, describing them, be brought into said district and assessed for the benefits received by them from the drains, ditches, or levees of said district.

(2) Upon the filing of said report, the court shall order the owners of such lands to be notified of the filing of said report and the contents thereof and shall require such owners to show cause at a time and place therein fixed, not less than 20 days thereafter, why their lands should not be brought into said district and assessed for said benefits.

(3) At the time and place fixed for hearing said report, any of said landowners may appear and remonstrate against the confirmation of said report. All remonstrances shall be in writing, verified, and shall set forth the facts on which they are based. All issues arising on said report shall be tried by the court without a jury.

**History:** **En. Secs. 85, 86, 87, Ch. 129, L. 1921; re-en. Secs. 7349, 7350, 7351, R.C.M. 1921; re-en. Secs. 7349, 7350, 7351, R.C.M. 1935; R.C.M. 1947, 89-2805, 89-2806, 89-2807.**

**Cross-References**

Assessment of unassessed, benefited lands, 85-8-618.

**85-8-422. Court order for annexation — appeal.** (1) If the court shall find that said lands or any of them are receiving the benefits of any such drain, ditch, or levee, the court shall so find in writing and shall order said lands to be annexed to and made a part of said district and benefits to be assessed against the same by the commissioners of said district.

(2) Said order shall be final and conclusive unless appealed from to the supreme court within 30 days from the date of entry thereof.

**History:** **En. Secs. 88, 89, Ch. 129, L. 1921; re-en. Secs. 7352, 7353, R.C.M. 1921; re-en. Secs. 7352, 7353, R.C.M. 1935; R.C.M. 1947, 89-2808, 89-2809.**

**85-8-423. Assessments against annexed lands.** The commissioners shall, after the time for appeal is past, assess against each parcel, tract, and easement of the annexed lands reasonable and just benefits and shall assess against these lands for construction and repairs such sums as are just. If lands similarly situated and benefited are found in the district, the annexed lands shall be assessed a like sum of benefits and damages as the similar lands in the district to which they are sought to be annexed and a sum for construction of the work, which shall be equal to all sums assessed, for the complete construction of the drainage system in the district to which they are sought to be annexed against lands having the same assessment of benefits in the district.

**History:** **En. Sec. 90, Ch. 129, L. 1921; re-en. Sec. 7354, R.C.M. 1921; re-en. Sec. 7354, R.C.M. 1935; amd. Sec. 46, Ch. 460, L. 1977; R.C.M. 1947, 89-2810.**

**85-8-424. Confirmation of commissioners' report of assessments.** The commissioners shall file their report and assessments in court. The court shall, by order, require said owners to show cause at a time and place therein fixed, not less than 20 days after the service of said order, why said report and assessments should not be confirmed. On the hearing of said order to show cause, if a jury trial is demanded, the court shall frame issues on benefits and damages and impanel a jury or adjourn the hearing thereon until some term of court when a jury is in attendance and take the verdict of a jury on such issues. All other issues arising on said report shall be tried by the court. The court shall order all necessary amendments of said report and make written findings of fact and, when said report is amended, shall by order confirm the same.

**History:** **En. Sec. 91, Ch. 129, L. 1921; re-en. Sec. 7355, R.C.M. 1921; re-en. Sec. 7355, R.C.M. 1935; R.C.M. 1947, 89-2811.**

**Cross-References**

Assessment of unassessed, benefited lands, 85-8-618.

## Part 5

## Bonds and Revenue

**85-8-501. Authority to borrow money and issue notes or bonds.** The commissioners may:

(1) borrow money, not exceeding the amount of assessment for the cost of construction and additional assessments, as provided in 85-8-367 and 85-8-368, unpaid at the time of borrowing, for the construction or repair of any work which they shall be authorized to construct or repair or for the payment of any indebtedness which they may have lawfully incurred; and

(2) issue notes or negotiable coupon bonds on the district, bearing interest, payable semiannually and not running beyond 1 year after the payment of the last installment of the assessment, on account of which money is borrowed, shall fall due.

**History:** **En. Sec. 79, Ch. 129, L. 1921; re-en. Sec. 7343, R.C.M. 1921; re-en. Sec. 7343, R.C.M. 1935; amd. Sec. 13, Ch. 260, L. 1959; amd. Sec. 36, Ch. 234, L. 1971; R.C.M. 1947, 89-2501(1).**

**85-8-502. Resolution for issuance of notes or bonds.** Before the issuance of said notes or bonds, the commissioners shall pass a resolution providing for the issuance of such notes or bonds. Said resolution shall fix the rate of interest which said notes or bonds shall bear, the time of payment, and, if redeemable before maturity, the date thereof; shall prescribe the denominations, not exceeding $1,000, and form thereof; and may provide that both the principal and interest of said notes and bonds shall be payable at some convenient banking house or trust company's office, to be named in said notes or bonds. Such notes or bonds and the coupons attached thereto shall bear the signatures of the president and the secretary of the drainage district. The corporate seal of the drainage district shall be affixed to each of the notes or bonds.

**History:** **En. Sec. 79, Ch. 129, L. 1921; re-en. Sec. 7343, R.C.M. 1921; re-en. Sec. 7343, R.C.M. 1935; amd. Sec. 13, Ch. 260, L. 1959; amd. Sec. 36, Ch. 234, L. 1971; R.C.M. 1947, 89-2501(2).**

**85-8-503. Sale of notes or bonds.** Upon execution, the notes or bonds shall be deposited with the county treasurer, who shall register the same in a book for that purpose, which shall show the number and amount of each note or bond, its date, the date payable and redeemable, where payable, the person to whom issued. Upon sale of the notes or bonds, the county treasurer shall deliver the same to the person or persons to whom sold, upon their making payment for the same. Said notes or bonds may be sold by the commissioners at either public or private sale, either with or without advertisement, as they may deem it to the best interests of the district. Said notes or bonds shall not be sold at less than 90% of their face value. Said notes or bonds shall not be held to make the commissioners personally liable but shall constitute a lien upon the assessments for the repayment of the principal and interest of such notes or bonds.

**History:** **En. Sec. 79, Ch. 129, L. 1921; re-en. Sec. 7343, R.C.M. 1921; re-en. Sec. 7343, R.C.M. 1935; amd. Sec. 13, Ch. 260, L. 1959; amd. Sec. 36, Ch. 234, L. 1971; R.C.M. 1947, 89-2501(3).**

**85-8-504. Disposition of excess money.** In case any moneys derived from bonds sold to pay for the original construction of said improvement, now or hereafter, remain on hand after the work is completed in original construction and paid for and not raised for damages unpaid for, such residue may be used in the maintenance and repair, as provided in this chapter, before making assessments for such maintenance and repair.

**History:** **En. Sec. 79, Ch. 129, L. 1921; re-en. Sec. 7343, R.C.M. 1921; re-en. Sec. 7343, R.C.M. 1935; amd. Sec. 13, Ch. 260, L. 1959; amd. Sec. 36, Ch. 234, L. 1971; R.C.M. 1947, 89-2501(4).**

**85-8-505. Refunding indebtedness of district.** The court may, on the petition of the commissioners, authorize them to refund any lawful indebtedness of the district by:

(1) taking up and canceling all of its outstanding notes and bonds, as fast as they become due or before, if the holders thereof will surrender the same; and

(2) issuing in lieu thereof new notes or bonds of such district, payable in such longer time as the court shall deem proper, not to exceed in the aggregate the amount of all notes and bonds of the district then outstanding and the unpaid accrued interest thereon.

**History:** **En. Sec. 80, Ch. 129, L. 1921; re-en. Sec. 7344, R.C.M. 1921; re-en. Sec. 7344, R.C.M. 1935; amd. Sec. 42, Ch. 234, L. 1971; R.C.M. 1947, 89-2502.**

## Part 6

## Taxes and Assessments

**85-8-601. Certification and collection of district taxes.** (1) On or before the third Monday in August of each year the commissioners shall certify to the agent of the department of revenue in each county wherein the lands of the district are situate a correct list of all the district lands in such county and the owners thereof, together with a statement of the amount of the total tax or assessment against said lands for district purposes for that year. The agent of the department of revenue in each county shall immediately thereupon cause said assessment roll to be entered in the assessment book of said county for each year and prior to the delivery of the assessment book to the county treasurer.

(2) It shall be the duty of the county treasurer of each county in which any drainage district is located, in whole or in part, to collect and receipt for all taxes and assessments levied by any such district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102; provided the treasurer shall receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not. When any real estate on account of which such district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of such district tax or assessment, together with the penalty and interest to date of payment on such installment; provided that such payment shall not be deemed a redemption of said property from such tax sale, but shall be credited on account of any redemption that may thereafter be made. In case of any payment pursuant to this subsection, a separate tax receipt shall issue showing exactly what assessments have been paid and shall show that no other tax on said real estate has been received by said treasurer; provided such county treasurer shall not collect or receive or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any drainage district upon which an assessment for the purposes of such drainage district has been levied unless the assessment levied for such drainage district purposes be paid as herein permitted and the receipt therefor presented to the county treasurer at the time such taxes are paid, or paid at the same time.

**History:** (1)En. Sec. 65, Ch. 129, L. 1921; re-en. Sec. 7329, R.C.M. 1921; re-en. Sec. 7329, R.C.M. 1935; amd. Sec. 1, Ch. 12, L. 1945; amd. Sec. 66, Ch. 391, L. 1973; Sec. 89-2401, R.C.M. 1947; (2)En. Sec. 1, Ch. 71, L. 1923; amd. Sec. 1, Ch. 73, L. 1935; re-en. Sec. 2172.1, R.C.M. 1935; amd. Sec. 1, Ch. 188, L. 1943; Sec. 84-4108, R.C.M. 1947; R.C.M. 1947, 84-4108(part), 89-2401.

**Cross-References**

Method of collection of taxes and assessments, 85-7-2136.

**85-8-602. Tax collection if lands in several counties.** Where lands of any district lie in more than one county, the district taxes or assessments collected in all other counties shall be remitted to the county treasurer of the county wherein the court having jurisdiction of said district is located, on or before January 1 of each year.

**History:** En. Sec. 66, Ch. 129, L. 1921; re-en. Sec. 7330, R.C.M. 1921; re-en. Sec. 7330, R.C.M. 1935; R.C.M. 1947, 89-2402.

**85-8-603. Rules of law applicable to tax collection.** The rules of law applying to the collection of taxes and sale of land for taxes shall, unless in conflict with this chapter, apply to the collection and sale of lands for drainage assessments. Delinquent sales of land for unpaid taxes and assessments shall be made in the same manner as for state and county taxes in the respective counties where such lands are situate, and the right of redemption shall in all cases be made the same as in cases where lands are sold for state or county taxes. Such drainage district shall be entitled to the benefit of all penalties and interest upon delinquent district assessments.

**History:** En. Sec. 67, Ch. 129, L. 1921; re-en. Sec. 7331, R.C.M. 1921; re-en. Sec. 7331, R.C.M. 1935; R.C.M. 1947, 89-2403.

**Cross-References**

Collection of property taxes, Title 15, ch. 16.

Tax sales, Title 15, ch. 17.

**85-8-604 through 85-8-610 reserved.**

**85-8-611. Construction assessments — annual installment.** At the time of the confirmation of the assessments as provided in 85-8-347, the court may order the assessment for construction of new work to be paid in not more than 15 annual installments of such amounts and at such times as will be convenient for the accomplishment of the proposed work or for the payment of the principal and interest of such notes or bonds of the district as the court grants authority to issue for the construction of new work. The court shall also by such order fix a date on which the first installment of the assessments for construction shall become due, not more than 5 years after the date of the order, and each of the installments shall draw interest at the rate fixed by the court in accordance with law from the date of the order.

**History:** En. Sec. 61, Ch. 129, L. 1921; re-en. Sec. 7325, R.C.M. 1921; re-en. Sec. 7325, R.C.M. 1935; amd. Sec. 35, Ch. 234, L. 1971; amd. Sec. 42, Ch. 460, L. 1977; R.C.M. 1947, 89-2348.

**85-8-612. Lien of assessments — payment of assessments against state lands.** (1) From the time of the entry of said order, assessments for construction of new work and additional assessments and interest thereon shall be a lien upon the lands assessed, until paid. Any owner of land or any corporation assessed for construction may, at any time within 30 days after the confirmation of said report, pay into court the amount of the assessment against his land or any tract thereof or against any such corporation. Said payment shall relieve said lands from the lien of said assessment and said corporation from all liability on said assessment.

(2) Upon presentation to the state auditor of an order of the district court having jurisdiction of such drainage district, properly certified, the auditor shall draw his warrant on the treasurer on the common school fund in favor of the commissioners of such drainage district for the total amount that may be assessed against any lands included in such district, the title to which is in the state of Montana, and upon the payment of such warrant such lands

shall thereby be relieved from the lien theretofore created for such costs of construction.

**History:** En. Sec. 62, Ch. 129, L. 1921; re-en. Sec. 7326, R.C.M. 1921; re-en. Sec. 7326, R.C.M. 1935; R.C.M. 1947, 89-2349.

**85-8-613. Assessments against certain corporations.** Assessments against all public corporations or any private corporation not owning land within the district shall be payable to the county treasurer wherein the court having jurisdiction of the district is located, on or before September 1 of each year.

**History:** En. Sec. 68, Ch. 129, L. 1921; re-en. Sec. 7332, R.C.M. 1921; re-en. Sec. 7332, R.C.M. 1935; R.C.M. 1947, 89-2404.

**85-8-614. Procedure on failure to certify assessments.** When commissioners shall fail to certify to the county treasurer of the proper county any one or more drainage assessments for construction or repair or additional assessment against any lands (including improvements where benefited) in said district at the proper time, they may certify the same to the county treasurer at any time thereafter, whether in the same or any subsequent year.

**History:** En. Sec. 69, Ch. 129, L. 1921; re-en. Sec. 7333, R.C.M. 1921; re-en. Sec. 7333, R.C.M. 1935; amd. Sec. 7, Ch. 409, L. 1973; R.C.M. 1947, 89-2405.

**85-8-615. Procedure to levy additional assessments.** If in the first assessment for construction the commissioners shall have reported to the court a smaller sum than is needed to complete the work of construction or if in any year an additional sum is necessary to pay the lawful indebtedness of said drainage district, further or additional assessments on the land (including improvements where benefited) and corporations benefited, proportioned on the last assessment of benefits which has been approved by the court, shall be made by the commissioners of said drainage district under the order of the court or presiding judge thereof; provided, however, that the total assessments for original construction and any additional assessments, other than for maintenance, incidental expense, and interest on bonds, shall, in no event, exceed the total assessments of benefits as provided in 85-8-342. Notice of the hearing of the application for such additional assessment shall be published at least once each week for 3 consecutive weeks in one newspaper published in each county in which said lands, or any part thereof, within said district are situated, which further or additional assessment may be made payable in installments as specified in 85-8-611 and shall be treated and collected in the same manner as the original assessments for construction confirmed by the court in said drainage district.

**History:** En. Sec. 74, Ch. 129, L. 1921; re-en. Sec. 7338, R.C.M. 1921; re-en. Sec. 7338, R.C.M. 1935; amd. Sec. 8, Ch. 409, L. 1973; R.C.M. 1947, 89-2410.

**85-8-616. Correction of omissions.** Omission to assess benefits, to assess for construction, to make additional assessments, to make assessment for repairs, to award damages to any one or more tracts of land or easements in a drainage district or to assess benefits, assess for construction, assess for repairs, or make additional assessments against any corporation which should have been assessed does not affect the jurisdiction of the court to confirm the report or to render the benefits assessed, the assessments for construction, additional assessments, or assessments for repairs against other lands or assessments against any corporation voidable; but the commissioners of the drainage district shall thereafter, as soon as they discover the omission or as soon as they have notice thereof, either agree with the omitted parties upon the proper assessments and award the damages or assess such benefits, make such assessments for construction, and make such additional assessments against the omitted lands and corporations and award such damages as are just and report the facts, together with such assessments and awards, to the court.

**History:** **En. Sec. 75, Ch. 129, L. 1921; re-en. Sec. 7339, R.C.M. 1921; re-en. Sec. 7339, R.C.M. 1935; amd. Sec. 43, Ch. 460, L. 1977; R.C.M. 1947, 89-2411.**

**85-8-617. Illegal assessments.** In case the court decides that any land should not have been assessed for drainage purposes or that any assessment is void, the commissioners of the district shall:

(1) levy an additional assessment on all of the assessable lands, irrigation ditches, railroads, corporations, and individual owners, based on the last assessment of the district approved by the court, sufficient to pay the sum lost to the district by reason of such void assessment; or

(2) pay such sum out of the general fund of the district.

**History:** **En. Sec. 78, Ch. 129, L. 1921; re-en. Sec. 7342, R.C.M. 1921; re-en. Sec. 7342, R.C.M. 1935; amd. Sec. 2, Ch. 109, L. 1923; amd. Sec. 6, Ch. 169, L. 1929; R.C.M. 1947, 89-2412.**

**85-8-618. Assessment of unassessed, benefited lands.** Whenever any lands from which surface or seepage water enters any drain or upon which or through which surface or seepage water has been prevented from flowing because of the construction of any drain have not been included within the drainage district which constructed such drains or drain or the owner of any irrigation ditch or canal from which water seeps, drains, or wastes to, upon, or through lands included within a drainage district has not been assessed for the cost of construction of the drainage system of said drainage district, the commissioners of such district may report said facts to the court and ask that said lands, describing them, be brought into said district and assessed for their proportionate share of the cost of the drainage system of said drainage district and ask that the owner of any such irrigation ditch or canal be assessed its proportionate share of the costs of construction of such drainage system. Thereupon, the same proceedings as set out in 85-8-421 through 85-8-424 for the determination and levy of assessments against drained lands outside of drainage district receiving benefits from the drainage of said district shall be had to determine the proper assessments, if any, to be levied against said lands and the owner of such irrigation ditch or canal to aid in payment of costs of construction.

**History:** **En. Sec. 7364A by Sec. 7, Ch. 169, L. 1929; re-en. Sec. 7364.1, R.C.M. 1935; R.C.M. 1947, 89-2601.**

**85-8-619. Assessments to have effect of judgment.** Each and every sum assessed for construction, for additional assessment, or for repairs against any land or against any corporation, as soon as such assessment is confirmed by the court, shall be and is declared to be a judgment of the district court in favor of said drainage district and against said land or corporation. Unless some other method of collection is herein provided, the judgment shall be collected in the same manner as any other money judgment is collected; provided, that whenever said assessment is a lien upon land, it shall only be collected out of said land on which it is a lien.

**History:** **En. Sec. 93, Ch. 129, L. 1921; re-en. Sec. 7357, R.C.M. 1921; re-en. Sec. 7357, R.C.M. 1935; R.C.M. 1947, 89-2813.**

**85-8-620. Bonds not to be affected by assessment change.** No bonds or other money obligations issued by any drainage district shall be adversely affected by any subsequent change in assessments of benefits.

**History:** **En. Sec. 94, Ch. 129, L. 1921; re-en. Sec. 7358, R.C.M. 1921; re-en. Sec. 7358, R.C.M. 1935; R.C.M. 1947, 89-2814.**

**85-8-621. Renumbered 85-8-803 by Code Commissioner, 1983.**

**85-8-622. Agreement of landowners to omitted assessments.** In case of omission to assess any corporation or land that should be assessed for benefits, construction, repairs, or additional assessments or to award damages, said omitted party and the owner of omitted land may in writing agree with the commissioners of said district what the assessment should be against said land or against said corporation or what said damages should be, and such agreement shall be acknowledged and witnessed, as provided above for waivers, and be filed in the court.

**History:** **En. Sec. 97, Ch. 129, L. 1921; re-en. Sec. 7361, R.C.M. 1921; re-en. Sec. 7361, R.C.M. 1935; R.C.M. 1947, 89-2817.**

**85-8-623. Assessments not to be obstructed by preliminary defects.** The collection of any assessments made by the commissioners for construction and confirmed by the court shall not be restrained or obstructed by reason of any omission, imperfection, or defect in the organization of any district or in any proceedings occurring prior to the order confirming the assessments of benefits, but such order shall be conclusive as to the regularity of all proceedings relating to the assessments of benefits unless appealed from within 30 days after the entry of such order.

**History:** **En. Sec. 99, Ch. 129, L. 1921; re-en. Sec. 7363, R.C.M. 1921; re-en. Sec. 7363, R.C.M. 1935; re-en. Sec. 7363, R.C.M. 1935; R.C.M. 1947, 89-2819.**

**85-8-624. Assessments on improvements — taxpayers' approval, limitations, and election procedures.** (1) It shall require a vote of the persons on the assessment rolls in any existing district to make Chapter 409, Laws of 1973, applicable to such districts.

(2) Nothing in Chapter 409, Laws of 1973, confers upon districts created for drainage purposes only the authority to levy assessments on benefits to improvements.

(3) The election provided for by subsection (1) shall be governed by the following rules:

(a) Notice of the election shall be as provided in 13-1-401(4).

(b) The manner of conducting the election shall be as provided in 85-8-302 and as nearly as practicable in accordance with the provisions of the general election laws of the state, except that no registration may be required.

(c) The qualifications of electors shall be as provided in 85-8-305, except that, in addition to persons holding title or evidence of title to lands within the district, any person as therein defined who does not own land within the district but has been assessed or will have his improvements assessed under Chapter 409, Laws of 1973, or who will be assessed for benefits received shall be entitled to one vote. Commissioners shall prepare a list of such persons and the election administrator or deputy election administrator shall give them notice as provided in 13-1-401(4).

(d) The commissioners of any district in existence prior to March 21, 1973, who wish to hold an election to determine if the district shall be governed by Chapter 409, Laws of 1973, shall at any regular or special meeting adopt a resolution calling for an election to determine whether or not the voters of said district wish to be governed by Chapter 409, Laws of 1973. The resolution shall contain a short summary of the changes made by Chapter 409, Laws of 1973, and the summary must be included in the notice provided for by 13-1-401(4). In addition, the commission shall provide copies of Chapter 409, Laws of 1973, to any person interested in obtaining a copy of the same and the notice to the persons in the district calling the election shall describe where and how copies may be obtained. The commissioners may authorize a reasonable charge for providing said copies, not to exceed 20 cents per page.

(e) The ballot shall include the summary as provided for in the preceding subsection and the form of the ballot shall conform as closely as possible to that provided for in Title 13, chapter 27.

(f) A simple majority of those who cast valid ballots shall determine the outcome of the election.

**History: (1)En. Sec. 10, Ch. 409, L. 1973; amd. Sec. 1, Ch. 147, L. 1974; Sec. 89-2330.1, R.C.M. 1947; (2)En. Sec. 11, Ch. 409, L. 1973; Sec. 89-2330.2, R.C.M. 1947; (3)En. 89-2330.3 by Sec. 2, Ch. 147, L. 1974; amd. Sec. 27, Ch. 342, L. 1977; Sec. 89-2330.3, R.C.M. 1947; R.C.M. 1947, 89-2330.1, 89-2330.2, 89-2330.3; amd. Sec. 12, Ch. 326, L. 1979; amd. Sec. 18, Ch. 400, L. 1979; amd. Sec. 194, Ch. 575, L. 1981; amd. Sec. 3, Ch. 24, L. 1985; amd. Sec. 150, Ch. 370, L. 1987.**

## Part 7

## Flood Control and Planning

**85-8-701. Purpose of part.** (1) The purpose of this part is to confer certain additional powers on drainage districts already created or to be created under the laws of the state of Montana for the purposes of cooperating with the government of the United States and landowners in flood prevention and the conservation, development, utilization, and disposal of water for the further development of the economy of this state and for the promotion of the public health and welfare.

(2) The purpose of this part is to enable existing drainage districts or newly created drainage districts as provided herein to enter into cooperative agreements and programs to carry out the purposes of Public Law 566, 83rd congress of the United States, or other laws of the national congress pertaining to flood prevention and the conservation, development, utilization, and disposal of water. This part is to be given a liberal construction to the end that these purposes may be carried out, and to this end all political subdivisions of the state of Montana, all agencies and departments of the state government, and all soil conservation districts are authorized to cooperate with, expend funds for, and enter into agreements with drainage districts and any

agencies of the United States government for the purpose of carrying out the provisions of this part and Public Law 566, 83rd congress of the United States, or other laws of the national congress pertaining to flood prevention and the conservation, development, utilization, and disposal of water.

(3) None of the additional powers granted by this part shall be exercised except for the purpose of participating in projects or programs authorized under Public Law 566, 83rd congress of the United States, or other laws of the national congress pertaining to flood prevention and the conservation, development, utilization, and disposal of water.

**History: En. Secs. 1, 5, Ch. 3, L. 1957; R.C.M. 1947, 89-2821, 89-2825.**

**85-8-702. Additional powers.** To the end that soil and water conservation measures may be improved, flood prevention and drainage programs strengthened, and the land and water economy of the state stabilized, the following additional powers are conferred upon presently existing drainage districts or new districts as created and established under this chapter and laws amendatory thereof and supplementary thereto:

(1) to carry out necessary measures for the prevention of floodwater and sediment damages and for the conservation, development, utilization, and disposal of water and to adopt necessary regulations, policies, and procedures to accomplish these ends, subject to the approval of the district court and on proper notice to interested parties as is provided for in the general statutes pertaining to drainage districts;

(2) to cooperate and enter into agreements to carry out the purposes of this part with (and to receive financial and other assistance from) state agencies and political subdivisions of the state, other organizations created under state laws, and the government of the United States and agencies thereof and to enter into agreements with (and to accept contributions from) private landowners for the purposes of this part;

(3) to construct, operate, and maintain such works of improvement, including structures and related measures, as are needed to carry out their broadened purposes as set forth herein, subject to the approval of the district court and on proper notice to interested parties as set forth in this chapter;

(4) to acquire lands, easements, and rights-of-way for sites for structures and for the flowage or impoundment of waters, such acquisitions for such purposes to be accomplished in the same manner and through the same powers and procedures as provided for under this chapter;

(5) to enlarge their boundaries to permit the construction of additional needed works of improvement or to construct additional needed works of improvement outside their boundaries, subject to approval of the district court and on proper notice to interested parties in the manner set forth in this chapter;

(6) to make assessments and issue bonds for carrying out the purposes of this part and for constructing, maintaining, and operating any structures or improvements established as provided herein, such assessments and bond issues to be made in the same manner and through the same procedures as under this chapter, including the right to extend annual installments for repayment of construction costs over a period of not more than 50 years and subject to the approval of the district court in the same manner and on the

same notice to the interested parties as in the first instance of approving assessments, bond issues, and benefits.

**History:** En. Sec. 2, Ch. 3, L. 1957; R.C.M. 1947, 89-2822.

**85-8-703. Petition for additional powers.** Before the additional powers granted by this part shall become applicable to any presently existing drainage district in this state, the commissioners of such district shall file a petition in the district court requesting such additional powers as set forth herein and proper notice shall be given to interested landowners in the same manner as in the first instance of creation of the district. Proceedings shall be conducted, insofar as possible, in accordance with the procedures set forth for determining whether or not the district shall be created in the first instance, and the district court shall render its decree or order accordingly.

**History:** En. Sec. 3, Ch. 3, L. 1957; R.C.M. 1947, 89-2823.

**85-8-704. Organization of areas not within existing districts.** In areas not presently within the boundaries of an existing drainage district, the landowners may proceed to organize a drainage district for carrying out the purposes of this part, and such organization of such district may be carried out for said purposes according to the procedure for organization of such districts set forth in this chapter. After organization such districts shall have all the powers vested by law in such districts.

**History:** En. Sec. 4, Ch. 3, L. 1957; R.C.M. 1947, 89-2824.

## Part 8

## Miscellaneous Provisions

**85-8-801. Continuation of existing districts.** All drain districts of the state of Montana organized prior to March 1, 1921, and continued in existence pursuant to section 100, Chapter 129, Laws of 1921, shall continue their existence as drain districts under and pursuant to all of the provisions of drainage district laws, and the commissioners of such drain districts shall have all the power and authority conferred by the drainage district laws upon the commissioners of drainage districts.

**History:** En. Sec. 7364B by Sec. 2, Ch. 97, L. 1931; re-en. Sec. 7364.2, R.C.M. 1935; amd. Sec. 44, Ch. 460, L. 1977; R.C.M. 1947, 89-2701.

**85-8-802. Dividing older districts into three divisions.** Ten percent of the adult owners or legally authorized agents or representatives of minor owners of lands within any drainage district heretofore created and organized and in existence on February 27,1925, may file a petition with the proper district court to have such district divided into divisions. Such court must thereupon make an order setting a day for hearing such petition and cause a copy of such order to be served on each of the commissioners of such district at least 5 days before the date set for such hearing. On the day fixed in such order (or on any day to which such hearing may be regularly continued) the court must hear such petition and, after such hearing, must make an order dividing such district into three divisions, as nearly equal in area as possible.

**History:** En. Sec. 16, Ch. 129, L. 1921; re-en. Sec. 7280, R.C.M. 1921; amd. Sec. 1, Ch. 50, L. 1925; re-en. Sec. 7280, R.C.M. 1935; R.C.M. 1947, 89-2217(part).

**85-8-803. Waiver of defective service.** In case of failure to serve any notice of any proceeding or hearing provided for in this chapter upon any person or corporation, such person or corporation may appear in open court and waive such defect of service or may waive it by filing in court or delivering to the commissioners of the drainage district, to be filed in court, a written waiver of such defect, in which waiver said defect shall be described, which waiver shall be signed by such party and witnessed and acknowledged before a proper officer having power to take acknowledgments of deeds.

**History: En. Sec. 96, Ch. 129, L. 1921; re-en. Sec. 7360, R.C.M. 1921; re-en. Sec. 7360, R.C.M. 1935; R.C.M. 1947, 89-2816; MCA 1981, 85-8-621; redes. 85-8-803 by Code Commissioner, 1983.**

# CHAPTER 9

# CONSERVANCY DISTRICTS

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## Part 1

## General Provisions

**85-9-101. Policy considerations.** To provide for the conservation and development of the water and land resources of the state of Montana, conserve Montana's water for utilization for beneficial purposes within the state, and provide for the greatest beneficial use of water within this state, the organization of conservancy districts and the construction of works as defined by this chapter are a public use and will:

(1) be essentially for the public benefit and advantage of the people of Montana;

(2) benefit all industries of the state;

(3) encourage economic growth;

(4) indirectly benefit the state by increasing property valuations;

(5) directly benefit municipalities by providing adequate supplies of water for domestic uses;

(6) directly benefit lands irrigated or drained by works constructed;

(7) directly benefit lands now irrigated by stabilizing the flow of water in streams and by increasing the flow and return flow of water to those streams;

(8) enhance fish and wildlife habitat;

(9) improve recreational facilities; and

(10) promote the comfort, safety, and welfare of the people of Montana.

**History:** **En. Sec. 1, Ch. 100, L. 1969; R.C.M. 1947, 89-3401.**

**85-9-102. Purpose of chapter.** The purpose of this chapter is to enable the formation of conservancy districts comprised of area in one or more counties to promote the following purposes:

(1) prevent and control floods, erosion, and sedimentation;

(2) provide for regulation of stream flows and lake levels;

(3) improve drainage and to reclaim wet or overflowed lands;

(4) promote recreation;

(5) develop and conserve water resources and related lands, forest, fish, and wildlife resources;

(6) further provide for the conservation, development, and utilization of land and water for beneficial uses, including but not limited to domestic water supply, fish, industrial water supply, irrigation, livestock water supply, municipal water supply, recreation, and wildlife.

**History:** **En. Sec. 2, Ch. 100, L. 1969; R.C.M. 1947, 89-3402.**

**Cross-References**

Policy of the state to conserve water, 75-5-101.

**85-9-103. Definitions.** As used in this chapter, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Applicant" means any person residing within the boundaries of the proposed district making a request for a study of the feasibility of forming a conservancy district.

(2) "Board of supervisors" means the board of supervisors of the soil and water conservation district in which the largest portion of the taxable valuation of real property of the proposed district is located.

(3) "Cost of works" means the cost of construction, acquisition, improvement, extension, and development of works, including financing charges, interest, and professional services.

(4) "Court" means the district court of the judicial district in which the largest portion of the taxable valuation of real property of the proposed district is located and within the county in which the largest portion of the taxable valuation of real property of the proposed district is located within the judicial district.

(5) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(6) "Directors" means the board of directors of a conservancy district.

(7) "District" means a conservancy district.

(8) "Elector" means a person qualified to vote under 85-9-421.

(9) "Notice" means publication at least once each week for 3 consecutive weeks in a newspaper published in each county or, if no newspaper is published in a county, a newspaper of general circulation in the county or counties in which a district is or will be located. The last published notice shall appear not less than 5 days prior to any hearing or election held under this chapter.

(10) "Owners" are the person or persons who appear as owners of record of the legal title to real property according to the county records whether such

title is held beneficially or in a fiduciary capacity, except that a person holding a title for purposes of security is not an owner, nor may he affect the previous title for purposes of this chapter.

(11) "Person" means a natural person, firm, partnership, cooperative, association, public or private corporation, including the state of Montana or the United States, foundation, state agency or institution, county, municipality, district or other political subdivision of the state, federal agency or bureau, or any other legal entity.

(12) "Taxable valuation" is the value as defined in 15-8-111 and does not mean assessed valuation.

(13) "Works" means all property, rights, easements, franchises, and other facilities, including but not limited to land, reservoirs, dams, canals, dikes, ditches, pumping units, mains, pipelines, waterworks systems, recreational facilities, facilities for fish and wildlife, and facilities to control and correct pollution.

**History: En. Sec. 3, Ch. 100, L. 1969; amd. Sec. 183, Ch. 253, L. 1974; amd. Sec. 71, Ch. 566, L. 1977; R.C.M. 1947, 89-3403(part).**

**Cross-References**

Hearing by Department, 85-9-203.

Merger of districts, 85-9-501.

Notice of public budget hearing, 85-9-602.

Issuance of bonds — resolution and election, 85-9-623.

**85-9-104. Limitations.** (1) Nothing in this chapter shall be construed to grant to the district the power to generate, distribute, or sell electric energy.

(2) The provisions of this chapter do not abrogate or limit in any manner the rights, powers, duties, and functions of the department, conservation districts, department of health and environmental sciences, or the department of fish, wildlife, and parks but are supplementary thereto and in aid thereof.

**History: (1)En. Sec. 48, Ch. 100, L. 1969; Sec. 89-3448, R.C.M. 1947; (2)En. Sec. 49, Ch. 100, L. 1969; amd. Sec. 193, Ch. 253, L. 1974; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 50, Ch. 460, L. 1977; Sec. 89-3449, R.C.M. 1947; R.C.M. 1947, 89-3448, 89-3449; amd. Sec. 2, Ch. 218, L. 1979.**

## Part 2

## Creation of Districts

**85-9-201. Preliminary survey — petition.** (1) To request a preliminary survey for a proposed conservancy district, the applicants shall present a written petition to the department.

(2) The petition shall:

(a) be signed by at least 10% of the registered voters residing within the boundaries of the proposed conservancy district;

(b) generally describe the proposed boundaries of the district;

(c) specify the purpose or purposes of the district;

(d) list the works contemplated;

(e) request that a preliminary survey be initiated.

(3) The department may initiate a preliminary survey without any prior written petition.

**History: En. Sec. 4, Ch. 100, L. 1969; amd. Sec. 1, Ch. 19, L. 1973; R.C.M. 1947, 89-3404.**

**85-9-202. Action by department of natural resources upon receipt of request.** (1) Sooner than 11 days after the request is received, the department shall acknowledge the request.

(2) The department shall itself, through cooperating agencies, or together with cooperating agencies:

(a) consult with the board of supervisors and all persons who may participate in the proposed project;

(b) conduct a preliminary survey of the proposed district;

(c) estimate costs of works, maintenance, and operation;

(d) determine sources of financing;

(e) reach a tentative decision on the feasibility, desirability, and compatibility with the state water plan of the proposed district;

(f) adjust the boundaries of the proposed district to improve the feasibility, desirability, or consistency with the state water plan;

(g) sooner than 1 year after receipt of the request, send a report of the preliminary survey to the applicants, the board of supervisors, department of fish, wildlife, and parks, department of health and environmental sciences, and other affected state and federal resource agencies for their comments.

**History:** **En. Sec. 5, Ch. 100, L. 1969; amd. Sec. 1, Ch. 302, L. 1971; amd. Sec. 184, Ch. 253, L. 1974; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 89-3405; amd. Sec. 2, Ch. 218, L. 1979.**

**85-9-203. Hearing by department.** (1) Upon receipt of the preliminary survey report, the applicants or any one of them may request the department to hold a hearing. The department shall hold the hearing sooner than 61 days after receipt of the request. Notice of the hearing shall be given in accordance with 85-9-103(9).

(2) If the department itself initiated the preliminary survey, it may hold a hearing without being requested to do so.

**History:** **En. Sec. 6, Ch. 100, L. 1969; amd. Sec. 185, Ch. 253, L. 1974; R.C.M. 1947, 89-3406.**

**85-9-204. Feasibility study and report — adjustment of proposed boundaries.** After the hearing, the applicants or any one of them may request the department to prepare a detailed feasibility study of the proposed district. If the department concludes that the proposed district is feasible, desirable, and consistent with the state water plan, it shall prepare a feasibility report and sooner than 1 year after receipt of the request send copies to the applicants, if any, the department of fish, wildlife, and parks, department of health and environmental sciences, and other affected state and federal water resource agencies. For good cause shown, based upon the actual technical problems in completing the report, the department may use necessary additional time to complete and distribute the report. The detailed feasibility report shall describe the proposed works and contain an estimate of the cost of the works, the means of financing, and the estimated costs of operation and maintenance. The department may adjust the boundaries of the proposed district to improve the feasibility, desirability, and consistency with the state water plan and to exclude land which would receive no direct or indirect benefits from the proposed district.

**History:** **En. Sec. 7, Ch. 100, L. 1969; amd. Sec. 1, Ch. 303, L. 1971; amd. Sec. 186, Ch. 253, L. 1974; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 89-3407; amd. Sec. 2, Ch. 218, L. 1979.**

**85-9-205. Procedure for organization of district.** If in the opinion of the department the feasibility study shows that a district is feasible and consistent with the state water plan, the procedure for organization is the following:

(1) The department shall file a petition requesting organization with the court.

(2) The petition shall:

(a) state the name of the proposed district;

(b) give a legal description of the boundaries of the proposed district, excluding therefrom lands which would receive no direct or indirect benefits from the proposed district;

(c) describe the purposes of the district;

(d) describe the works;

(e) indicate the estimated cost of works, means of financing, and estimated costs of operation and maintenance;

(f) list the taxable valuation of real property in the proposed district, which must be $100,000 or more;

(g) describe the means of repaying capital costs;

(h) propose the persons who should be represented and the number of directors.

(3) The petition shall be signed by owners of at least 51% of the land outside the limits of an incorporated municipality and not fewer than 5% or 100, whichever is the lesser, of the persons who would qualify as electors within an incorporated municipality.

**History: En. Sec. 8, Ch. 100, L. 1969; amd. Sec. 187, Ch. 253, L. 1974; R.C.M 1947, 89-3408.**

**85-9-206. Court hearing on petition — election — limits on court jurisdiction.** (1) Upon receipt of a petition for organizing a district, the court shall give notice and hold a hearing on the petition. If the court shall find that the prayer of the petition should be granted, it shall:

(a) make and file findings of fact specifying those lands that will be directly or indirectly benefited by the proposed district and exclude those lands which will not be so benefited;

(b) make an order fixing the time and place of an organizing election;

(c) order the election administrator to conduct the election in accordance with the provisions of Title 13;

(d) order and decree the district organized if the requisite number of eligible electors vote in favor of organization.

(2) In order for the district to be organized, 51% or more of the eligible electors must vote in the election, and a majority of those voting must vote in favor of organization.

(3) This chapter shall not confer upon the court jurisdiction to hear, adjudicate, and settle questions concerning the priority of appropriation of water between districts and other persons. Jurisdiction to hear and determine priority of appropriation and questions of right growing out of or in any way connected with a priority of appropriation is expressly excluded from this chapter and shall be determined as otherwise provided by the laws of Montana.

**History: En. Sec. 9, Ch. 100, L. 1969; R.C.M. 1947, 89-3409; amd. Sec. 373, Ch. 571, L. 1979.**

**85-9-207. Corporate nature of district.** A district is a public corporation and a political subdivision of the state.

**History: En. Sec. 3, Ch. 100, L. 1969; amd. Sec. 183, Ch. 253, L. 1974; amd. Sec. 71, Ch. 566, L. 1977; R.C.M. 1947, 89-3403(part).**

**85-9-208. Filing of documents after organization.** Sooner than 31 days after the district has been decreed organized, the clerk of the court shall transmit to the secretary of state, the department, and to the county clerk and recorder in each of the counties having lands in the district copies of the election results, the decree of the court incorporating the district, and a description of the boundaries of the district. Copies of the same documents shall be filed in the office of the secretary of state in the same manner as articles of incorporation are required to be filed under the laws governing corporations. Copies shall also be filed in the office of the county clerk and recorder of each county in which a part of the district may be. The clerk and recorder of each county where the articles are filed and the secretary of state shall collect filing fees as provided by law.

**History:** **En. Sec. 10, Ch. 100, L. 1969; amd. Sec. 188, Ch. 253, L. 1974; R.C.M. 1947, 89-3410.**

**85-9-209. Reimbursement of expenses of organizing election.** If organized, the district shall reimburse the county or counties for the expenses incurred in the organizing election. The costs of conducting the preliminary and feasibility studies shall be considered costs of construction of an approved project and shall be included in determination of the repayment schedules by the directors of the district.

**History:** **En. Sec. 11, Ch. 100, L. 1969; amd. Sec. 1, Ch. 18, L. 1973; R.C.M. 1947, 89-3411.**

## Part 3

## Dissolution of Districts

**85-9-301. Procedure for dissolution of district.** (1) The procedure for dissolution of a district is:

(a) a resolution shall be passed by the directors requesting dissolution;

(b) a petition signed by 20% of the electors representing 10% of the taxable valuation of real property in the district shall be presented to the directors; or

(c) if the district or its directors have been inactive for 1 year or more, any elector may present a petition.

(2) The resolution or petition shall be presented to the court by the directors or by the petitioners if the directors remain inactive.

(3) Not more than one resolution or petition may be presented to the court in any 24-month period, and no such petition may be presented during the first 24 months after a district's initial organization.

**History:** **En. Sec. 42, Ch. 100, L. 1969; R.C.M. 1947, 89-3442.**

**85-9-302. Dissolution election.** (1) After receipt of petition or resolution for dissolution, the court shall order an election in the way provided by 85-9-422.

(2) For dissolution to be approved, a majority of the electors voting must favor dissolution.

**History:** **En. Sec. 43, Ch. 100, L. 1969; R.C.M. 1947, 89-3443.**

**85-9-303. Termination plan — court jurisdiction.** (1) In the event the vote is for dissolution, any qualified elector or the board of directors of the district may, within the time fixed by the court, present a written plan for terminating the affairs of the district which shall include assignment of any water rights and works owned by the district.

(2) The plan may specify that the affairs of the district shall be terminated by the directors or by a receiver appointed by the court.

(3) On a day fixed by the court, the court shall consider the plan or plans and shall enter an order establishing a plan for the termination of the affairs.

(4) The court shall retain jurisdiction to modify the plan and shall supervise the termination.

**History: En. Sec. 44, Ch. 100, L. 1969; R.C.M. 1947, 89-3444.**

**85-9-304. Appointment of receiver — assessments.** (1) If no plan is presented on or before the date set by the court, the court shall appoint a receiver to terminate the affairs of the district under the supervision of the court.

(2) Upon the appointment of any receiver, all the authority of the directors shall cease. However, until dissolution, the receiver shall have authority to levy assessments for:

(a) the payment of obligations of the district;

(b) the costs of termination.

(3) The directors or, if there is a receiver, then the receiver, with the approval of the court, shall make assessments each year in an amount large enough to retire the obligations of the district.

(4) If a receiver has been appointed, he shall direct, under court supervision, the disposition of all assessments collected.

**History: En. Sec. 45, Ch. 100, L. 1969; R.C.M. 1947, 89-3445.**

**85-9-305. Entry of dissolution order.** (1) The court shall enter an order dissolving the district when it appears to the satisfaction of the court that:

(a) all obligations of the district have been discharged;

(b) all the costs of termination have been paid.

(2) A certified copy of the order shall be recorded by the clerk of the court in all counties in which the district was situated and filed with the secretary of state.

**History: En. Sec. 46, Ch. 100, L. 1969; R.C.M. 1947, 89-3446.**

**85-9-306. County general funds to receive funds remaining after dissolution.** All funds remaining after dissolution of a district shall be deposited in the general fund of the counties in which the district is located in proportion to the taxable value of property within the district in each county.

**History: En. Sec. 47, Ch. 100, L. 1969; R.C.M. 1947, 89-3447.**

## Part 4

## Organization and Procedure

**85-9-401. District directors — appointment, term of office, vacancies, first meeting, and bond.** If a district is organized, the court shall:

(1) establish by court order the number of persons who shall comprise the directors, appoint persons who are electors within the district to membership on the board of directors, and fix their compensation. The number shall not be less than 3 or more than 11 persons. In fixing the number and making the appointments the court shall consider the interests and purposes to be served by the district. Upon a verified petition filed by a majority of the directors and for good cause shown, the court may enlarge or reduce the membership of the directors but not to be less than 3 or to exceed 11.

(2) fix the terms of office so that approximately one-third of the directors first appointed shall serve for 1 year, approximately one-third shall serve 2 years, and the remainder shall serve 3 years. All succeeding terms shall be 3 years. Unless excused for good cause, a director who misses three consecutive regular meetings has vacated his position.

(3) fill all vacancies on the board by appointment or reappointment;

(4) specify a date for the first annual meeting of the directors;

(5) specify the amount and form of a corporate surety bond which each member of the directors shall furnish at the expense of the district, conditioned upon his faithful performance of his duties as a director.

**History: En. Sec. 12, Ch. 100, L. 1969; R.C.M. 1947, 89-3412.**

**85-9-402. Officers and meetings.** (1) The directors shall select from among themselves a chairman, vice-chairman, secretary, and other necessary officers. The directors shall adopt bylaws and rules for the conduct of meetings. All official acts of the directors shall be entered in a book of minutes to be kept by the secretary.

(2) The directors shall establish times for regular meetings and may hold special meetings upon the call of the chairman or any two members and (except in case of emergency) upon at least 3 days' notice of the time, place, and purpose of the meeting.

**History: En. Sec. 13, Ch. 100, L. 1969; R.C.M. 1947, 89-3413.**

**85-9-403. Directors' powers — conduct of business.** On behalf of the district, the directors may:

(1) adopt an official seal;

(2) sue and be sued;

(3) provide for reimbursing of their members for actual expenses;

(4) merge with other special districts as hereinafter provided;

(5) call upon the county attorney or attorney general for such legal services as the district may require or, in the discretion of the directors, employ private legal counsel.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(1), (2), (5), (9), (11).**

**85-9-404. Directors' powers to adopt rules.** On behalf of the district, the directors may adopt rules to promote and encourage water recreation, including requirements concerning public access areas and facilities, and rules respecting the use of reservoirs and waters, picnic sites, and other recreational areas operated by the district. Rules adopted shall be filed with the secretary of directors and shall be available to any interested party upon reasonable request.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(3).**

**85-9-405. Directors' powers over property.** On behalf of the district, the directors may:

(1) enter private property for the purposes of making surveys, provided that just compensation for actual damages is made;

(2) appropriate water and initiate or participate in the adjudication of streams;

(3) acquire, undertake, construct, develop, improve, maintain, and operate works and all incidental facilities;

(4) acquire by purchase, exchange, gift, lease, grant, devise, or otherwise lands, water, water rights, or rights-of-way as necessary for the execution of any authorized function of the district. Title to all property (including water rights) shall be in the name of the district.

(5) hold and dispose of property as necessary or convenient in the performance of the functions of the district;

(6) allocate or reallocate unused waters of the district.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(4), (6) thru (8), (10), (18).**

**85-9-406. Directors' powers over finance.** On behalf of the district, the directors may:

(1) borrow money and incur indebtedness and issue bonds to finance works as provided by this chapter;

(2) in addition to all voted indebtedness, borrow money as necessary, but the amount shall not at any one time exceed 5% of the taxable valuation of real property in the district;

(3) mortgage property owned by the district if the terms of the mortgage are not inconsistent with the provisions of a resolution authorizing the sale of bonds;

(4) use any surplus funds to purchase outstanding bonds;

(5) refund bonded indebtedness incurred by the district as provided by this chapter;

(6) after a hearing held in accordance with 85-9-602, make assessments sufficient to meet the budgetary requirements for the coming year.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(13) thru (15), (22) thru (24).**

**85-9-407. Fees and charges.** On behalf of the district, the directors may:

(1) fix and revise, from time to time, and collect rates, fees, and other charges for the services, facilities, or water furnished by the district to any person;

(2) withhold the delivery of water upon which there are any defaults or delinquencies of payment and otherwise dispose of that water while the default or delinquency continues.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(12), (17).**

**Cross-References**

Assessments, 85-9-601.

**85-9-408. Contracts and agreements by directors.** On behalf of the district, the directors may:

(1) contract for service, for water furnished, or for the sale of water with any person;

(2) cooperate with; accept grants, loans, and other assistance from; act as agent for; and enter into agreements with any and all state or federal agencies and exercise all necessary or convenient powers in connection therewith;

(3) enter into any obligation or contract with an agency of the federal government for the construction, operation, and maintenance of works or for the assumption as principal or guarantor of indebtedness to the United States on account of district lands under the provisions of the federal reclamation act and rules established under that act or contract with an agency of the federal government for a water supply under any federal act providing for or permitting such a contract. However, the action must be approved by a majority of the electors voting at an election held as provided in 85-9-422. If a contract is made with an agency of the federal government, the directors may deposit bonds of the district with the United States at 90% of their par value to secure the amount to be paid by the district to the United States under any contract. The interest on the bonds of the district to be applied as specified by the contract. If bonds of the district are deposited with the United States, it is the duty of the directors to make an assessment sufficient to meet all payments accruing under the terms of any contract with the United States.

(4) accept appointment of the district as fiscal agent for the United States or authorization of the district to make collections of moneys for or on behalf of the United States in connection with any federal reclamation projects, and the district is authorized to act and to assume the duties and liabilities incident to this action. However, the action must be approved by a majority of the electors voting at an election held as provided in 85-9-422. The directors may do all things required by federal statutes and rules and require prompt payment of all charges as a prerequisite to water service.

(5) make contracts incidental to the performance of the district's functions and employ and fix the compensation of employees, agents, or consultants as are deemed necessary, including but not limited to a manager, attorneys, accountants, engineers, construction and financial experts;

(6) cooperate with soil and water conservation districts to obtain agreements to carry out soil conservation measures and proper farm plans from owners of lands situated in the drainage area above each retention reservoir to be installed with federal assistance.

**History: En. Sec. 14, Ch. 100, L. 1969; R.C.M. 1947, 89-3414(16), (19) thru (21), (25), (26).**

**85-9-409. Participation in federal programs.** A district organized under this chapter, by itself or in conjunction with others as a sponsoring organization, may participate in all federal programs, including but not limited to the Watershed Protection and Flood Prevention Act of 1954 (68 Stat. 666), the federal Water Project Recreation Act of 1965 (79 Stat. 213), the federal Reclamation Act of 1902 (32 Stat. 388), and amendments to those acts.

**History: En. Sec. 15, Ch. 100, L. 1969; amd. Sec. 189, Ch. 253, L. 1974; R.C.M. 1947, 89-3415.**

**85-9-410. Condemnation authorized.** The district may exercise the right of eminent domain in the manner provided by the law to take private property for public use, with just compensation, where the taking is necessary for the purposes of the district. Water rights as such shall not be subject to such taking but may be taken as an incident to the condemnation of land to which such rights are appurtenant, where the taking of the land is the principal purpose of the condemnation.

**History:** **En. Sec. 20, Ch. 100, L. 1969; R.C.M. 1947, 89-3420.**

**Cross-References**

Eminent domain, Art. II, sec. 29, Mont. Const., Title 70, ch. 30.

**85-9-411. Annual report of directors' activities.** Before August 1 of each year, the directors shall send a written report of their activities during the previous fiscal year to the court and to the department. Reports shall be in the form and contain the information prescribed by the department.

**History:** **En. Sec. 21, Ch. 100, L. 1969; amd. Sec. 190, Ch. 253, L. 1974; R.C.M. 1947, 89-3421.**

**85-9-412 through 85-9-420 reserved.**

**85-9-421. Persons entitled to vote.** (1) Only persons who are taxpayers upon and owners of real property located within the district and whose names appear upon the last completed assessment roll of some county within the district for state, county, and school district taxes are electors and shall be entitled to vote in elections, provided that:

(a) an elector need not reside within the district in order to vote;

(b) where a corporation owns taxable real property within the boundaries of the conservancy district, the authorized agent of such corporation shall be entitled to cast a vote on behalf of the corporation;

(c) where land is under contract of sale to a purchaser and the contract is recorded, only the purchaser shall have the right to vote;

(d) guardians, executors, administrators, and trustees of real property within the district shall be entitled to cast the vote for the owner of the land.

(2) When voting, an agent of a corporation or of co-owners or a guardian, executor, administrator, trustee, or purchaser under contract of sale may be required to show his authority by the judges of the election.

**History:** **En. Sec. 23, Ch. 100, L. 1969; R.C.M. 1947, 89-3423.**

**Cross-References**

Definitions, 85-9-103.

**85-9-422. Election procedures.** The election procedures after organization will conform to the requirements of Title 13.

**History:** **En. Sec. 24, Ch. 100, L. 1969; R.C.M. 1947, 89-3424; amd. Sec. 374, Ch. 571, L. 1979.**

**Cross-References**

Dissolution election, 85-9-302.

Contracts and agreements by directors, 85-9-408.

Issuance of bonds — resolution and election, 85-9-623.

**85-9-423. Repealed.** Sec. 407, Ch. 571, L. 1979.

**History:** **En. Sec. 25, Ch. 100, L. 1969; amd. Sec. 49, Ch. 460, L. 1977; R.C.M. 1947, 89-3425.**

## Part 5

## Alteration of Districts

**85-9-501. Merger of districts.** (1) In case two or more districts have been organized in a territory which, in the opinion of the directors of each of the districts, should constitute but one district, the directors of the districts may petition the court for an order merging the districts into a single district. The petition shall be filed in the office of the clerk of the district court in and for that county which has the largest portion of taxable valuation of property within the districts sought to be included, as shown by the tax rolls of the respective counties. The petition shall set forth facts showing that the purposes of this chapter would be served by the merging of the districts and that the merger would promote the economical execution of the purposes for which the districts were organized. A copy of the petition shall be filed with the department.

(2) Upon the filing of the petition, the court shall by order fix a time and place of hearing, and the clerk shall give notice as specified in 85-9-103(9), as well as by mail to the directors of the districts which would be merged. The notice shall contain the purpose, time, and the place of the hearing.

(3) Upon the hearing, should the court find that the averments of the petition are true and that the districts or any of them could feasibly and profitably be merged, it shall order that the merger take place and the districts shall be merged into one district and proceed as such. The court shall designate the corporate name of the district, and further proceedings shall be taken as provided for in this chapter. The court shall by order appoint the directors of the district, who shall thereafter have powers and be subject to rules as are provided for directors in districts created in the first instance.

(4) Instead of organizing a new district from the constituent districts, the court may, in its discretion, direct that one or more of the districts described in the petition be included in another of the districts, which other shall continue under its original corporate name and organization, or the court may direct that the district or districts so absorbed shall be represented on the directors of the original districts, designating what members of the directors of the original district shall be retired from the new board and what members representing the included district or districts shall take their places.

(5) If the court receives a petition opposing the merger, signed by a majority of the electors of any of the concerned districts, the court shall not grant the order and shall dismiss the petition.

(6) Upon merger or inclusion, existing obligations shall remain exclusively with those who bore them prior to the merger or inclusion, except with the written consent, given prior to the merger or inclusion, of those who did not bear the obligations.

**History: En. Sec. 38, Ch. 100, L. 1969; amd. Sec. 192, Ch. 253, L. 1974; R.C.M. 1947, 89-3438.**

**85-9-502. Annexation of property.** To annex real property to the district, the procedure is the following:

(1) The directors shall petition the court.

(2) The petition shall:

(a) give a general description of the real property to be annexed sufficient to enable a person to determine if his property is in the proposed annexation;

(b) describe the benefits to accrue to the real property as a result of the annexation.

(3) The court shall:

(a) give notice and hold a hearing on the petition;

(b) upon good cause shown, order or deny the annexation.

**History:** **En. Sec. 39, Ch. 100, L. 1969; R.C.M. 1947, 89-3439.**

**85-9-503. Preannexation bonds.** Real property annexed to a district shall not incur any liens by reason of bonds issued before annexation unless agreed to by the owners of the annexed property, in writing, prior to annexation.

**History:** **En. Sec. 40, Ch. 100, L. 1969; R.C.M. 1947, 89-3440.**

**85-9-504. Procedure to exclude lands.** Any territory included within any district formed under the provisions of this chapter and not benefited in any manner by such district or its inclusion therein may be excluded therefrom. The procedure for exclusion consists of the following:

(1) A petition for exclusion shall be initiated by either the directors or the owner or owners of the land sought to be excluded.

(2) The petition shall give a description of the territory sought to be excluded sufficient to enable a person to determine if his property is in the proposed exclusion; shall set forth that such territory is not benefited in any manner by the district or its continued inclusion therein; and shall request that such territory be excluded from the district.

(3) When owners of property initiate the petition for exclusion, the petition shall be filed with the secretary of the district and shall be accompanied by a deposit of $100 to meet the costs incident to the process of exclusion. The unexpended balance of the deposit shall be returned to the petitioner.

(4) Upon the filing of such petition with the secretary of the district, the secretary shall duly call a meeting of the directors to consider the petition. The directors shall approve or disapprove of the merits of the petition. The secretary shall then file the petition, together with a copy of the action of the directors, with the court.

(5) The court shall give notice, hold a hearing, and issue an order either granting or denying the petition.

**History:** **En. Sec. 41, Ch. 100, L. 1969; R.C.M. 1947, 89-3441.**

## Part 6

## Finance

**85-9-601. Assessments.** (1) To the extent that anticipated revenues from rates, fees, and other charges fixed pursuant to 85-9-407(1) will not be sufficient to meet the district's anticipated obligations for annual operation, maintenance, and replacement or depreciation of works or for payment of the interest and principal on bonded indebtedness, the directors may make an assessment of not more than 2 mills on all taxable real property in the district for the purpose of fully meeting such obligations.

(2) In addition to the assessment authorized by subsection (1), the directors may annually make an assessment of up to 3 mills on the taxable real property in the district to pay interest and principal on bonded indebtedness.

(3) The assessments are a lien upon each lot or parcel of land within the district to the extent of the assessment on each.

(4) All assessments have the same force and effect as other liens for taxes, and their collection shall be enforced in the way provided for enforcement of

liens for county taxes. Assessments, if not paid, become delinquent at the same time as county taxes.

(5) Except as provided in 85-9-624, approval of the electors is not required for the making of these assessments.

**History: En. Sec. 16, Ch. 100, L. 1969; R.C.M. 1947, 89-3416.**

**85-9-602. Notice of public budget hearing.** (1) The directors shall, prior to the first Monday in May of each year, give notice as provided in 85-9-103(9) of the intention to hold a public budget hearing. The notice shall include the date, time, place, and general agenda.

(2) At the hearing, the directors shall:

(a) review the present budget;

(b) present the budget for the next year;

(c) hear and consider protests from any elector;

(d) adopt the budget for the next year;

(e) set the assessment for the next year.

**History: En. Sec. 17, Ch. 100, L. 1969; R.C.M. 1947, 89-3417.**

**Cross-References**

Directors' powers over finance, 85-9-406.

**85-9-603. Directors to provide county officials with financial information.** (1) Before the second Monday in July of each year, the directors shall provide the county assessor and treasurer with:

(a) the budget for the current fiscal year;

(b) a statement of the amount of special assessments to be collected for the districts;

(c) a listing of all real property within the district.

(2) If the district is located in more than one county, the directors shall provide this information to each of the county assessors and treasurers.

**History: En. Sec. 18, Ch. 100, L. 1969; R.C.M. 1947, 89-3418.**

**85-9-604. Collection and investment of assessments.** (1) The treasurer of each county in which the district is located shall collect special assessments at the same time and in the same way as county taxes.

(2) If the district is located in more than one county, all assessments collected shall be deposited with the treasurer of the county in which the assessments were collected.

(3) The directors shall direct the county treasurer to invest any surplus district funds in saving or time deposits in a state or national bank, savings and loan association, or credit union insured by the federal deposit insurance corporation, federal savings and loan insurance corporation, or national credit union administration or in direct obligations of the United States government payable within 180 days from the time of investment. All interest collected on the deposits or investments shall be credited to the fund from which the money was withdrawn. However, 5% of the interest shall be deposited in the general fund of the county.

**History: En. Sec. 19, Ch. 100, L. 1969; R.C.M. 1947, 89-3419; amd. Sec. 17, Ch. 421, L. 1985.**

**85-9-605 through 85-9-610 reserved.**

**85-9-611. Examination by department of commerce.** At least once each year the department of commerce shall examine the financial records of each district and file a report of the examination with the department of natural resources and conservation and court. The department of commerce shall collect a fee for the examination equal to that charged irrigation districts.

**History:** **En. Sec. 22, Ch. 100, L. 1969; amd. Sec. 191, Ch. 253, L. 1974; amd. Sec. 53, Ch. 213, L. 1975; R.C.M. 1947, 89-3422; amd. Sec. 7, Ch. 274, L. 1981; amd. Sec. 1, Ch. 287, L. 1983.**

**85-9-612 through 85-9-620 reserved.**

**85-9-621. Issuance of bonds — term and multipurpose bonds.** A district may issue bonds payable from revenues, assessments, or both, or the district may use other financing as provided by this chapter for the cost of works. Bonds issued shall be for a maximum term of not to exceed 40 years. Bonds for more than one purpose may be sold as a single issue.

**History:** **En. Sec. 26, Ch. 100, L. 1969; amd. Sec. 43, Ch. 234, L. 1971; R.C.M. 1947, 89-3426.**

**85-9-622. Issuance of bonds — determination of amount.** In determining the amount of bonds to be issued, the directors may include:

(1) all costs of works;

(2) all costs and estimated costs of issuance of the bonds;

(3) interest which they estimate will accrue on money borrowed during the construction period and for 6 months after the period.

**History:** **En. Sec. 27, Ch. 100, L. 1969; R.C.M. 1947, 89-3427.**

**85-9-623. Issuance of bonds — resolution and election.** When the directors find it necessary to issue bonds, the directors shall:

(1) pass a resolution which includes:

(a) the purpose or purposes for which the bonds will be issued;

(b) the maximum amount and term of the bonds;

(c) the maximum interest rate the bonds will bear;

(d) whether the bonds will be repaid from revenues, assessments, or both;

(2) give notice as provided in 85-9-103(9) which shall include the resolution adopted by the directors, location of polling places, and hours when the polls will be open;

(3) hold an election as provided by 85-9-422.

**History:** **En. Sec. 28, Ch. 100, L. 1969; R.C.M. 1947, 89-3428.**

**85-9-624. Issuance of bonds — approval and assessments.** (1) For a bond issue to be approved, 40% of the qualified electors must vote thereon and 60% of those voting must approve the issue.

(2) Approval of the bond issue shall authorize the directors to make assessments necessary to pay the principal and interest on bonds issued, as provided in 85-9-601.

(3) The directors shall enter the results of the election in their records.

(4) If otherwise fairly conducted, no irregularities or informalities shall invalidate the election.

(5) Bonds for more than one purpose may be submitted to the electors as a single proposition.

**History:** **En. Sec. 29, Ch. 100, L. 1969; R.C.M. 1947, 89-3429.**

**85-9-625. Issuance of bonds — details of sale.** (1) If a bond issue is approved, the directors shall by resolution provide for the form and execution of the bonds and for issuance of all or any part of the bonds. After adequate notice that sealed proposals will be received, the directors may award the purchase of all or a part of the issue to the best bidder or bidders and may sell at private sale any or all bonds not sold on bids.

(2) The bonds will be sold for not less than their par value with accrued interest to date of delivery, and all bidders must state the lowest rate of interest at which they will purchase the bonds at par. The board shall reserve the right to reject any and all bids and to sell the said bonds at private sale.

**History:** **En. Sec. 30, Ch. 100, L. 1969; R.C.M. 1947, 89-3430.**

**85-9-626. Tax exempt status.** Bonds issued under this chapter have the same force, value, and use as bonds issued by a municipality and are exempt from taxation as property within the state of Montana.

**History:** **En. Sec. 31, Ch. 100, L. 1969; R.C.M. 1947, 89-3431.**

**85-9-627. Interim receipts — negotiability.** Pending preparation of the bonds sold under this chapter, receipts or certificates may be issued to purchasers in the form and with provisions as determined by the directors. Bonds and interim receipts or certificates are fully negotiable as provided by the Uniform Commercial Code—Investment Securities.

**History:** **En. Sec. 32, Ch. 100, L. 1969; R.C.M. 1947, 89-3432.**

**Cross-References**

U.C.C. — investment securities, Title 30, ch. 8.

**85-9-628. Bond registration — copy to county.** (1) When duly executed, all bonds issued under this chapter shall be registered by the county treasurer of the county in which the largest portion of the taxable valuation of real property of the district is located. They shall be registered in a book provided for that purpose before being delivered to the purchaser.

(2) The registration shall show:

(a) the number and amount of each bond;

(b) the date of issue and date redeemable;

(c) the name of the purchaser;

(d) the amount and due date of all payments required on the bonds.

(3) The directors shall provide the county treasurer with an unsigned and canceled printed copy of each issue of bonds of the district. The copy shall be preserved in his office.

**History:** **En. Sec. 33, Ch. 100, L. 1969; R.C.M. 1947, 89-3433.**

**85-9-629. Disposition and investment of sale proceeds.** (1) Proceeds from the sales of bonds shall be deposited with the county in which the largest portion of the taxable valuation of real property of the district is located.

(2) The county treasurer shall place the proceeds of the bond sale to the credit of the district. The proceeds shall be paid by the county treasurer on written order of the directors. Proceeds shall only be spent for the purposes for which the bonds were issued.

(3) The directors shall instruct the county treasurer to deposit any part of the proceeds which is not immediately needed for the purpose for which

the bonds were issued in a saving or time deposit in a state or national bank, savings and loan association, or credit union insured by the federal deposit insurance corporation, federal savings and loan insurance corporation, or national credit union administration or to invest in direct obligations of the United States government. The obligations shall be payable within not to exceed 180 days from the time of deposit or investment.

**History:** **En. Sec. 34, Ch. 100, L. 1969; R.C.M. 1947, 89-3434; amd. Sec. 18, Ch. 421, L. 1985.**

**85-9-630. Refunding bonds.** (1) Refunding bonds may be issued in the same way as any other bonds authorized by this chapter.

(2) All bonds, original issue or refunding issue, shall be redeemable when one-half of the term or 10 years of the term for which they were issued, whichever may be the less, has expired. Redemption may be made on any interest due date of any bond prior to its maturity after the bond shall be subject to redemption as herein provided. The right of redemption, as herein provided, must be stated on the face of each bond.

**History:** **En. Sec. 35, Ch. 100, L. 1969; R.C.M. 1947, 89-3435.**

**85-9-631. Bond retirement fund.** Revenue, assessment, and other funds on hand, including reserves pledged for the payment and security of outstanding bonds, may be deposited in a fund created for the retirement of bonds and may be invested and disbursed as provided by this chapter, to the extent consistent with the resolution authorizing the outstanding bonds.

**History:** **En. Sec. 36, Ch. 100, L. 1969; R.C.M. 1947, 89-3436.**

**85-9-632. Revolving funds.** (1) The directors by resolution may establish revolving funds to finance, on a reimbursable basis:

(a) construction, purchase, lease, and operation of revenue-producing works;

(b) contracts to provide services or facilities.

(2) Money in the revolving fund shall not be spent for any purposes other than those specified in the resolution. However, excess money may be transferred to any sinking and interest fund of the district.

(3) The county treasurer of the county having the largest portion of the taxable valuation of real property of the district shall maintain a separate account for each revolving fund of the district, and all money collected under the resolution shall be deposited with the county treasurer.

**History:** **En. Sec. 37, Ch. 100, L. 1969; R.C.M. 1947, 89-3437.**

## CHAPTERS 10 THROUGH 14

## RESERVED

## CHAPTER 15

## DAM SAFETY ACT

### Part 1 — General Provisions

85-15-101. Renumbered 85-15-207 by Code Commissioner, 1985.
85-15-102. Renumbered 85-15-208 by Code Commissioner, 1985.
85-15-103. Repealed.

85-15-104. Renumbered 85-15-107 by Code Commissioner, 1985.
85-15-105. Short title.
85-15-106. Definitions.
85-15-107. Exemptions.
85-15-108. Entry upon land.
85-15-109. Legal assistance.
85-15-110. Rules.

**Part 2 — Construction, Inspection, and Repair of Dams**

85-15-201. Renumbered 85-15-306 by Code Commissioner, 1985.
85-15-202. Renumbered 85-15-307 by Code Commissioner, 1985.
85-15-203. Renumbered 85-15-308 by Code Commissioner, 1985.
85-15-204. Renumbered 85-15-309 by Code Commissioner, 1985.
85-15-205. Renumbered 85-15-310 by Code Commissioner, 1985.
85-15-206. Renumbered 85-15-311 by Code Commissioner, 1985.
85-15-207. Dams and reservoirs — how constructed.
85-15-208. Construction in a secure manner.
85-15-209. High-hazard dam — determination.
85-15-210. Preparation and approval of plans.
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85-15-214. Requested inspections — costs — limitations against unsafe structures.
85-15-215. Emergency repairs or breaching.
85-15-216. Permit cancellation.

**Part 3 — Court Proceedings**

85-15-301. Renumbered 85-15-402 by Code Commissioner, 1985.
85-15-302. Renumbered 85-15-403 by Code Commissioner, 1985.
85-15-303. Renumbered 85-15-404 by Code Commissioner, 1985.
85-15-304. Renumbered 85-15-501(2) by Code Commissioner, 1985.
85-15-305. Liability of owners for damage.
85-15-306. Filling of unsafe reservoir — complaint.
85-15-307. Examination and report — subsequent actions.
85-15-308. Issues and trial.
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**Part 4 — Local Government Proceedings**

85-15-401. Municipality or county prohibited from regulation.
85-15-402. Appointment of experts by county commissioners.
85-15-403. Compensation of experts.
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**Part 5 — Penalties**

85-15-501. Penalties.
85-15-502. Deposit of penalties and costs.

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## Part 1

## General Provisions

### 85-15-101. Renumbered 85-15-207 by Code Commissioner, 1985.

**85-15-102. Renumbered 85-15-208 by Code Commissioner, 1985.**

**85-15-103. Repealed.** Sec. 23, Ch. 501, L. 1985.

**History:** En. Sec. 2, Ch. 370, L. 1971; amd. Sec. 2, Ch. 209, L. 1973; amd. Sec. 2, Ch. 335, L. 1975; R.C.M. 1947, 89-702.1.

**85-15-104. Renumbered 85-15-107 by Code Commissioner, 1985.**

**85-15-105. Short title.** This chapter may be cited as the "Montana Dam Safety Act".

**History:** En. Sec. 1, Ch. 501, L. 1985.

**85-15-106. Definitions.** Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Alterations" or "repairs" means alterations or repairs that may directly affect the safety of a dam or reservoir.

(2) "Appurtenant works" means all works incident or attached to a dam or reservoir, including but not limited to:

(a) a spillway, either in the dam or separate from it;

(b) the reservoir and its rim;

(c) a low-level outlet; and

(d) a water conduit such as a tunnel, pipeline, or penstock, either through the dam or its abutments.

(3) "Construction" or "construct" includes construction, alteration, repair, enlargement, or removal of a dam or reservoir.

(4) "Dam" means any artificial barrier, including appurtenant works, used to impound or divert water with an impounding capacity of 50 acre-feet or greater.

(5) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(6) "Emergency" means any threat to life caused by the condition of a dam or reservoir or by present or imminent floods that threaten the structural integrity of any dam or reservoir.

(7) "Engineer" means a registered professional engineer licensed to practice in the state of Montana under Title 37, chapter 67, part 3.

(8) "Enlargement" means any change in or addition to an existing dam or reservoir that raises or may raise the water storage elevation or increases the impoundment capacity of the reservoir.

(9) "High-hazard dam" means any dam or reservoir the failure of which would be likely to cause loss of life.

(10) "Inspection" means a visual or mechanical check, a measurement, a boring, or any other method necessary for determination of the adequacy of construction techniques, conformity of work with approved plans and specifications, or the safety and operating performance of a dam or reservoir.

(11) "Owner" means any person who owns, controls, operates, maintains, manages, or proposes to construct a dam or reservoir.

(12) "Person" means an individual, association, partnership, corporation, business trust, state agency, political subdivision, utility, municipal or quasi-municipal corporation, or any other entity or any authorized agent, lessee, or trustee of any of the foregoing.

(13) "Removal" means removing, taking down, or changing the location of any dam or reservoir.

(14) "Reservoir" means any valley, basin, coulee, ravine, or other land area that contains 50 acre-feet or more of impounded water.

**History:** **En. Sec. 2, Ch. 501, L. 1985.**

**85-15-107. Exemptions.** The provisions of 85-15-105, 85-15-106, 85-15-108 through 85-15-110, 85-15-209 through 85-15-216, 85-15-305, 85-15-401, 85-15-501, and 85-15-502 do not apply to dams subject to a permit issued pursuant to 82-4-335 for the period during which the dam is subject to the permit. The provisions of 85-15-108 through 85-15-110, 85-15-209 through 85-15-216, 85-15-305, 85-15-401, 85-15-501, and 85-15-502 do not apply to federal dams and reservoirs, or to dams and reservoirs licensed and subject to inspection by the federal energy regulatory commission. The provisions of 85-15-105, 85-15-106, 85-15-108 through 85-15-110, 85-15-209 through 85-15-216, 85-15-305, 85-15-401, 85-15-501, and 85-15-502 do not apply to dams that are required to obtain a certificate of environmental compatibility and public need pursuant to 75-20-201 for the period during which the dam is subject to the certificate. In addition, the provisions of 85-15-108 through 85-15-110, 85-15-209 through 85-15-216, 85-15-305, 85-15-401, 85-15-501, and 85-15-502 do not apply until July 1, 1990, to high-hazard dams that have been inspected by the U.S. army corps of engineers pursuant to P.L. 92-367 and for which resultant dam safety reports have been submitted to the owner.

**History:** **En. 89-702.2 by Sec. 3, Ch. 335, L. 1975; R.C.M. 1947, 89-702.2; amd. Sec. 5, Ch. 501, L. 1985; Sec. 85-15-104, MCA 1983; redes. 85-15-107 by Code Commissioner, 1985; amd. Sec. 1, Ch. 159, L. 1987.**

**85-15-108. Entry upon land.** Any employee or agent of the department authorized by the director of the department may enter upon any land to carry out the purposes of this chapter. The department or its agent shall give reasonable notice to the landowner of the intention to enter upon the land.

**History:** **En. Sec. 18, Ch. 501, L. 1985.**

**85-15-109. Legal assistance.** When requested by the department, the attorney general or the county attorneys within their respective counties shall perform legal services and conduct legal proceedings necessary to carry out the purposes of this chapter. The department may also employ legal counsel to enforce this chapter and to conduct proceedings under it.

**History:** **En. Sec. 19, Ch. 501, L. 1985.**

**85-15-110. Rules.** The department may adopt rules to implement the provisions of this chapter, including but not limited to rules to:

(1) classify high-hazard dams and reservoirs;

(2) review, approve, and issue permits;

(3) govern inspections under this chapter;

(4) establish safety standards for the design, construction, operation, and maintenance of high-hazard dams and reservoirs;

(5) establish emergency preparedness and warning procedures; and

(6) establish fees commensurate with costs to cover inspections under this chapter.

**History:** **En. Sec. 20, Ch. 501, L. 1985.**

**Cross-References**
Adoption and publication of rules, Title 2, ch. 4, part 3.

## Part 2

## Construction, Inspection, and Repair of Dams

**85-15-201. Renumbered 85-15-306 by Code Commissioner, 1985.**

**85-15-202. Renumbered 85-15-307 by Code Commissioner, 1985.**

**85-15-203. Renumbered 85-15-308 by Code Commissioner, 1985.**

**85-15-204. Renumbered 85-15-309 by Code Commissioner, 1985.**

**85-15-205. Renumbered 85-15-310 by Code Commissioner, 1985.**

**85-15-206. Renumbered 85-15-311 by Code Commissioner, 1985.**

**85-15-207. Dams and reservoirs — how constructed.** No person may fill or procure to be filled with water any dam or reservoir that is not so thoroughly and substantially constructed as to safely hold any water that may be turned therein.

**History:** En. Sec. 2138, Rev. C. 1907; re-en. Sec. 2658, R.C.M. 1921; re-en. Sec. 2658, R.C.M. 1935; R.C.M. 1947, 89-701; amd. Sec. 3, Ch. 501, L. 1985; Sec. 85-15-101, MCA 1983; redes. 85-15-207 by Code Commissioner, 1985.

**Cross-References**
Fish ladders at dams, 87-1-222.

**85-15-208. Construction in a secure manner.** No person may construct or cause to be constructed a dam or reservoir for the purpose of accumulating, storing, appropriating, or diverting any of the waters of this state, except in a thorough, secure, and substantial manner.

**History:** En. Sec. 2139, Rev. C. 1907; amd. Sec. 1, Ch. 168, L. 1917; re-en. Sec. 2659, R.C.M. 1921; re-en. Sec. 2659, R.C.M. 1935; amd. Sec. 5, Ch. 280, L. 1965; amd. Sec. 1, Ch. 370, L. 1971; amd. Sec. 1, Ch. 209, L. 1973; amd. Sec. 1, Ch. 335, L. 1975; R.C.M. 1947, 89-702; amd. Sec. 4, Ch. 501, L. 1985; Sec. 85-15-102, MCA 1983; redes. 85-15-208 by Code Commissioner, 1985.

**85-15-209. High-hazard dam — determination.** Any person proposing to construct any dam or reservoir shall make application to the department for a determination of whether the dam or reservoir is a high-hazard dam. The application must include the information required by the department. The department shall make the determination required by this section within 60 calendar days after a complete application is received by the department.

**History:** En. Sec. 6, Ch. 501, L. 1985.

**85-15-210. Preparation and approval of plans.** (1) A person may not begin construction of a high-hazard dam as determined under 85-15-209 without first obtaining a construction permit from the department.

(2) An application for a construction permit must be submitted to the department and must contain:

(a) plans and specifications for the proposed construction, prepared by or under the direction of an engineer experienced in dam design and construction; and

(b) other data and information required by the department.

(3) Within 60 calendar days after receipt of the application and any additional information requested by the department, the department shall:

(a) issue a construction permit or deny the application, as filed; or

(b) issue a construction permit upon terms, conditions, or modifications the department considers appropriate.

**History: En. Sec. 7, Ch. 501, L. 1985.**

**85-15-211. Inspection and reports during construction.** (1) An engineer must be in charge of and responsible for inspections during construction of any high-hazard dam.

(2) Inspections during construction must be performed at intervals necessary to ensure conformity with the permit. The engineer in charge or a qualified designee shall perform the inspections.

(3) The department shall set procedures and requirements for reporting information obtained from, during, or as the result of an inspection. The engineer in charge shall certify all reports to the department.

(4) The department may also inspect the dam during construction to ensure conformity with the construction permit.

(5) If the department finds that construction of the high-hazard dam does not conform with the construction permit, it may order that construction be stopped until changes are made in conformity with the permit.

**History: En. Sec. 8, Ch. 501, L. 1985.**

**85-15-212. Operating permit.** (1) An operation plan must be prepared by the owner and approved by the department prior to operation of the high-hazard dam or reservoir. The operation plan must set forth at a minimum:

(a) a reservoir operation procedure;

(b) a maintenance procedure for the dam and appurtenant works; and

(c) emergency procedures and warning plans.

(2) When construction is complete and if the dam or reservoir conforms to the construction permit and when an operation plan has been approved, the department shall issue a permit to operate the high-hazard dam or reservoir, containing such conditions on the safe operation of the dam as it considers necessary.

**History: En. Sec. 9, Ch. 501, L. 1985.**

**85-15-213. Periodic inspections after construction.** (1) Any high-hazard dam, whether or not previously permitted by the department, must be inspected as often as considered necessary by the department, but at least once every 5 years, in order to ensure the continued safe operation of the dam.

(2) Periodic inspections required by this section must be performed by a qualified engineer, who shall make a report of the inspection to the department. If the department finds that the dam conforms to current safety standards, it shall issue or reissue, as the case may be, a permit to continue

operation of the dam, containing such conditions on the safe operation of the dam as it considers necessary.

(3) The owner is responsible for inspections required under this section.

**History:** **En. Sec. 10, Ch. 501, L. 1985.**

**85-15-214. Requested inspections — costs — limitations against unsafe structures.** (1) At its discretion or upon receipt of an affidavit complaining that the person or property of the complainant is endangered by the construction, maintenance, or operation of any dam or reservoir, the department may order an inspection of the dam or reservoir unless the data, records, and inspection reports on file are adequate to determine that the complaint is not meritorious.

(2) If the complainant continues to request an inspection even though the department has determined under subsection (1) that the complaint is not meritorious, the department may make the inspection upon requiring the complainant to deposit with the department money sufficient to cover the costs of the inspection.

(3) If the dam or reservoir is found to be defective, the department may require the person who owns the dam or reservoir to pay all or part of the expenses of inspection. If the department requires such payment, it shall present a bill of costs to the owner. The costs shall constitute a lien upon the dam, reservoir, and other property of the owner and may be collected by appropriate action in a court of competent jurisdiction.

(4) If the dam or reservoir is not found to be defective after an inspection made under subsection (2), any money deposited by the complainant therefor must be paid to the general fund.

(5) If the inspection discloses defects in the dam or reservoir that, in the judgment of the department, constitute an immediate hazard to life or property, the department may order:

(a) the draining of the dam or reservoir;

(b) the limitation or cessation of use of the dam or reservoir or any defective appurtenant works; or

(c) any other steps to eliminate the hazard until the dam, reservoir, or appurtenant works have been made safe and approved by the department.

**History:** **En. Sec. 11, Ch. 501, L. 1985.**

**85-15-215. Emergency repairs or breaching.** (1) In case of an emergency, the department may take any action necessary to safeguard life and property. This action must be commenced immediately by the owner, or by the department at the owner's expense if the owner fails to act. The department must be notified immediately of any proposed emergency repairs or breaching to be instituted by the owner.

(2) All costs incurred by the department during an emergency must be paid by the owner on receipt of a bill of costs from the department. The costs are a lien upon the dam, reservoir, and other property of the owner and may be collected by appropriate action in a court of competent jurisdiction.

**History:** **En. Sec. 12, Ch. 501, L. 1985.**

**85-15-216. Permit cancellation.** Failure to comply with the provisions of 85-15-209 through 85-15-212 or 85-15-214 subjects the permit to cancellation at any time during the progress of construction or the operation of the dam. The department is authorized to cancel any permit if the provisions of 85-15-209 through 85-15-212 or 85-15-214 have not been or are not being complied with, and the cancellation operates as a forfeiture of all rights acquired under and by virtue of any permit approved by the department.

**History:** **En. Sec. 15, Ch. 501, L. 1985.**

## Part 3
## Court Proceedings

**85-15-301. Renumbered 85-15-402 by Code Commissioner, 1985.**

**85-15-302. Renumbered 85-15-403 by Code Commissioner, 1985.**

**85-15-303. Renumbered 85-15-404 by Code Commissioner, 1985.**

**85-15-304. Renumbered 85-15-501(2) by Code Commissioner, 1985.**

**85-15-305. Liability of owners for damage.** (1) Except as provided in subsection (2), nothing in this chapter relieves an owner of a dam or reservoir of any legal duty, obligation, or liability incident to its ownership or operation, including any damages resulting from leakage or overflow of water or floods caused by the failure or rupture of the dam or reservoir.

(2) The owner of a dam or reservoir that has been permitted by the department in accordance with this chapter is not, in the absence of negligence, liable for damages resulting from flows of water from the dam or reservoir which are of sufficient magnitude to exceed the limits of the 100-year floodplain as defined in 76-5-103. In addition, the owner of any dam or reservoir that has been permitted by the department in accordance with this chapter may, without incurring liability, allow passage through the reservoir of inflows without diminution.

**History:** **En. Sec. 14, Ch. 501, L. 1985.**

**85-15-306. Filling of unsafe reservoir — complaint.** Upon complaint, on oath made by any person or persons and filed in the district court, that a person, association, or corporation is filling or proposing to fill with water a reservoir or has filled or gathered water in a reservoir and that life and property are thereby endangered, the judge must appoint three disinterested persons, at least one of whom must be a resident of the county in which the dam or reservoir is situated and one of whom must be a competent and experienced civil or hydraulic engineer, each of whom must take an oath that he will examine the dam and reservoir to determine as to its security to the best of his ability.

**History:** **En. Sec. 2140, Rev. C. 1907; amd. Sec. 2, Ch. 168, L. 1917; re-en. Sec. 2660, R.C.M. 1921; re-en. Sec. 2660, R.C.M. 1935; R.C.M. 1947, 89-703; Sec. 85-15-201, MCA 1983; redes. 85-15-306 by Code Commissioner, 1985.**

**85-15-307. Examination and report — subsequent actions.** (1) It is the duty of the persons so appointed to make a thorough examination of the dam or reservoir. If, upon examination, they find that persons or property are endangered by reason of the dam or reservoir and it is not secure against the pressure of the water confined therein or the water that may be confined therein or against rains and freshets that may occur and if they find that the same is secure against the occurrence of the casualties mentioned or any of them, they must make a report in writing to the judge, which must be entered of record as a proceeding in court.

(2) If, upon such examination as to the safety of such reservoir, they consider such reservoir insufficient and insecure, they must further inquire whether the danger to be apprehended is imminent, and if they are of the opinion that such danger is imminent and that destruction of life or property may result from delay, it is their duty forthwith to draw from such reservoir the waters therein or so much thereof as will insure safety, and they must make return of their action to the judge. In the discharge of such duties, the persons so acting are peace officers.

(3) If, upon examination, they are of the opinion that such dam or reservoir is insecure and insufficient but that the danger therefrom is not immediate or imminent, they must so state in their report to the judge. The judge must thereupon cause a copy of the report to be served on the owner of the property, the person in charge thereof, and any purchaser of the property under contract for deed, with a notice requiring him to make the same secure or to draw the water therefrom without delay. Unless such order is complied with after hearing, the judge may order the sheriff to draw from said dam or reservoir the waters thereof.

**History:** En. Secs. 2141, 2142, 2143, Rev. C. 1907; re-en. Secs. 2661, 2662, 2663, R.C.M. 1921; re-en. Secs. 2661, 2662, 2663, R.C.M. 1935; R.C.M. 1947, 89-704, 89-705, 89-706; amd. Sec. 30, Ch. 526, L. 1983; Sec. 85-15-202, MCA 1983; redes. 85-15-307 by Code Commissioner, 1985.

**85-15-308. Issues and trial.** The owner of the dam or reservoir may answer the complaint, and an issue may be joined at the hearing. The question of the security and sufficiency of the dam or reservoir may be tried before the court or jury as in other cases.

**History:** En. Sec. 2144, Rev. C. 1907; re-en. Sec. 2664, R.C.M. 1921; re-en. Sec. 2664, R.C.M. 1935; R.C.M. 1947, 89-707; Sec. 85-15-203, MCA 1983; redes. 85-15-308 by Code Commissioner, 1985.

**85-15-309. Judgment.** If the jury finds the dam or reservoir insufficient or insecure, judgment must be entered thereon, declaring such dam or reservoir a nuisance and that all the water be drawn therefrom. Costs may be taxed as in other cases to the losing party.

**History:** En. Sec. 2145, Rev. C. 1907; re-en. Sec. 2665, R.C.M. 1921; re-en. Sec. 2665, R.C.M. 1935; R.C.M. 1947, 89-708; Sec. 85-15-204, MCA 1983; redes. 85-15-309 by Code Commissioner, 1985.

**85-15-310. New trial and appeal.** Any party to the proceedings may move for a new trial and appeal as in other cases.

**History:** En. Sec. 2146, Rev. C. 1907; re-en. Sec. 2666, R.C.M. 1921; re-en. Sec. 2666, R.C.M. 1935; R.C.M. 1947, 89-709; Sec. 85-15-205, MCA 1983; redes. 85-15-310 by Code Commissioner, 1985.

**85-15-311. Withdrawal of water pending an appeal.** The judge may, after the verdict of the jury and pending an appeal, order that the water be drawn from the reservoir so as to make the same secure and safe until the final determination of the proceedings.

**History:** **En. Sec. 2147, Rev. C. 1907; re-en. Sec. 2667, R.C.M. 1921; re-en. Sec. 2667, R.C.M. 1935; R.C.M. 1947, 89-710; Sec. 85-15-206, MCA 1983; redes. 85-15-311 by Code Commissioner, 1985.**

## Part 4

## Local Government Proceedings

**85-15-401. Municipality or county prohibited from regulation.** No municipality or county may regulate, supervise, or provide for the regulation or supervision of any dam or reservoir in this state or the construction, maintenance, or operation thereof or limit the size of any dam or reservoir or the amount of water that may be stored therein. This chapter does not prevent a municipality or county from adopting ordinances or regulations regulating, supervising, or providing for the regulation or supervision of dams and reservoirs that:

(1) are not within the state's jurisdiction; or

(2) are not subject to regulation by another public agency or body.

**History:** **En. Sec. 13, Ch. 501, L. 1985.**

**85-15-402. Appointment of experts by county commissioners.** Whenever any person is constructing a dam or reservoir and complaint is made to the board of county commissioners that the same is being built in an insecure and unsafe manner and dangerous to life or property or that when constructed will be insecure and dangerous, it is the duty of the board to appoint three experts under whose supervision the dam or reservoir must be constructed. Such reservoir must not be filled with water, nor shall any water be allowed to flow therein, until the owner thereof has filed, in the office of the county clerk, a certificate, signed by a majority of the persons so appointed, to the effect that such dam or reservoir is constructed in a proper manner and is safe and secure.

**History:** **En. Sec. 2148, Rev. C. 1907; re-en. Sec. 2668, R.C.M. 1921; re-en. Sec. 2668, R.C.M. 1935; R.C.M. 1947, 89-711; Sec. 85-15-301, MCA 1983; redes. 85-15-402 by Code Commissioner, 1985.**

**85-15-403. Compensation of experts.** The persons acting as experts are entitled to a reasonable compensation for their services, to be allowed by the board and paid by the owners of the dam or reservoir.

**History:** **En. Sec. 2149, Rev. C. 1907; re-en. Sec. 2669, R.C.M. 1921; re-en. Sec. 2669, R.C.M. 1935; R.C.M. 1947, 89-712; Sec. 85-15-302, MCA 1983; redes. 85-15-403 by Code Commissioner, 1985.**

**85-15-404. Duty of board when complaint filed.** Whenever such complaint is made to the board of commissioners, it is the duty of the board, in case such dam or reservoir is not being constructed in a safe and secure manner, to proceed against the owner or persons constructing the same in the manner provided for in this chapter, and any person may file a complaint and proceed against any such owner of or person constructing such dam or reservoir, as provided in this chapter.

**History:** **En. Sec. 2150, Rev. C. 1907; re-en. Sec. 2670, R.C.M. 1921; re-en. Sec. 2670, R.C.M. 1935; R.C.M. 1947, 89-713; Sec. 85-15-303, MCA 1983; redes. 85-15-404 by Code Commissioner, 1985.**

## Part 5

## Penalties

**85-15-501. Penalties.** (1) A person who violates or refuses or neglects to comply with the provisions of this chapter or any rule or order of the department adopted or made pursuant to this chapter is guilty of a misdemeanor and is punishable as provided in 46-18-212. Each day of a continuing violation constitutes a separate offense.

(2) If death ensues by reason of any of the acts prohibited by this chapter, the person guilty of the same may be convicted of homicide.

**History: (2)En. Sec. 2151, Rev. C. 1907; re-en. Sec. 2671, R.C.M. 1921; re-en. Sec. 2671, R.C.M. 1935; amd. Sec. 64, Ch. 359, L. 1977; R.C.M. 1947, 89-714; Sec. 85-15-304, MCA 1983; redes. 85-15-501(2) by Code Commissioner, 1985; (1)En. Sec. 16, Ch. 501, L. 1985.**

**Cross-References**

Homicide, Title 45, ch. 5, part 1.

**85-15-502. Deposit of penalties and costs.** All penalties and costs collected under this chapter, other than those collected in a justice's court, must be deposited in the state general fund.

**History: En. Sec. 17, Ch. 501, L. 1985; amd. Sec. 61, Ch. 557, L. 1987.**

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

# CHAPTER 16

# WHARVES AND DOCKS

### Part 1 — Wharves and Docks

85-16-101. Who may build wharves and docks.
85-16-102. Public use of wharves and docks.
85-16-103. Revocation of license.
85-16-104. Land under navigable water.
85-16-105. Repealed.

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## Part 1

## Wharves and Docks

**85-16-101. Who may build wharves and docks.** Any person or persons owning land bordering upon any of the navigable waters within the state are granted a license and permit to build docks and wharves over, across, and upon the lands under water belonging to the state. Such docks and wharves shall be extended out into such navigable water such distance only as may be necessary to permit all boats, steamboats, and vessels to safely land thereat and discharge and take on their cargoes and passengers.

**History: En. Sec. 1, Ch. 38, L. 1909; re-en. Sec. 1605, R.C.M. 1921; re-en. Sec. 1605, R.C.M. 1935; R.C.M. 1947, 89-601.**

**85-16-102. Public use of wharves and docks.** All docks and wharves built on any of the navigable waters of the state shall be public docks and wharves, and all boats, vessels, and steamboats plying such navigable waters shall have a right to land thereat and take on and discharge their cargoes and passengers thereon. The owner of such dock or wharf shall have the right to charge and collect from the owner or owners of such boat, steamboat, or vessel a reasonable compensation therefor.

**History: En. Sec. 2, Ch. 38, L. 1909; re-en. Sec. 1606, R.C.M. 1921; re-en. Sec. 1606, R.C.M. 1935; R.C.M. 1947, 89-602.**

**85-16-103. Revocation of license.** The license granted in 85-16-101 to build docks and wharves over and upon the lands under the navigable waters of this state conveys no title in such lands, and such license may be revoked by the state of Montana at any time.

**History: En. Sec. 3, Ch. 38, L. 1909; re-en. Sec. 1607, R.C.M. 1921; re-en. Sec. 1607, R.C.M. 1935; R.C.M. 1947, 89-603.**

**85-16-104. Land under navigable water.** By the term "land under water" is meant all land under any navigable waters of this state extending from high-water mark, or from the meander line where the shores of lakes or streams have been meandered, to the lake or stream.

**History: En. Sec. 4, Ch. 38, L. 1909; re-en. Sec. 1608, R.C.M. 1921; re-en. Sec. 1608, R.C.M. 1935; R.C.M. 1947, 89-604.**

**85-16-105. Repealed.** Sec. 1, Ch. 164, L. 1979.

**History: En. Sec. 5, Ch. 38, L. 1909; re-en. Sec. 1609, R.C.M. 1921; re-en. Sec. 1609, R.C.M. 1935; amd. Sec. 21, Ch. 315, L. 1974; R.C.M. 1947, 89-605.**

# CHAPTERS 17 THROUGH 19

## RESERVED

# CHAPTER 20

## WATER COMPACTS

### Part 1 — Yellowstone River Compact

85-20-101. Approval of compact.
85-20-102. Purpose of the part.
85-20-103. Definitions.
85-20-104. Filing written statement with department.
85-20-105. Duty to install measuring devices.
85-20-106. Duty to measure water.
85-20-107. Status of prior rights.
85-20-108. Domestic and stock uses exempted.
85-20-109. Board of natural resources and conservation to make rules.
85-20-110. Application to adjudicated and nonadjudicated waters.
85-20-111. Department to make record available.
85-20-112. Services of county attorneys.
85-20-113. Penalty.
85-20-114 through 85-20-120 reserved.
85-20-121. Yellowstone compact obligations unimpaired.

### Part 2 — Fort Peck-Montana Compact

85-20-201. Fort Peck-Montana compact ratified.

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## Part 1

## Yellowstone River Compact

**85-20-101. Approval of compact.** The legislative assembly of the state of Montana hereby approves and ratifies the compact designated as the "Yellowstone River Compact", dated at the city of Billings, state of Montana, on the 8th of December, 1950, signed by Fred E. Buck, A.W. Bradshaw, H.W. Bunston, John Herzog, John M. Jarussi, Ashton Jones, Chris Josephson, A. Wallace Kingsbury, P.F. Leonard, Walter M. McLaughlin, Dave M. Manning, Joseph Muggli, Chester E. Onstad, Ed F. Parriott, R.R. Renne, and Keith W. Trout, as state representatives of the state of Montana on a compact commission between the states of Montana, North Dakota, and Wyoming, which compact is as follows:

### YELLOWSTONE RIVER COMPACT

The state of Montana, the state of North Dakota, and the state of Wyoming, being moved by consideration of interstate comity and desiring to remove all causes of present and future controversy between said states and between persons in one and persons in another with respect to the waters of the Yellowstone River and its tributaries, other than waters within or waters which contribute to the flow of streams within the Yellowstone National Park, and desiring to provide for an equitable division and apportionment of such waters and to encourage the beneficial development and use thereof, acknowledging that in future projects or programs for the regulation, control, and use of water in the Yellowstone River basin the great importance of water for irrigation in the signatory states shall be recognized, have resolved to conclude a compact as authorized under the act of congress of the United States of America, approved June 2, 1949 (Public Law 83, 81st congress, First Session), for the attainment of these purposes and to that end, through their respective governments, have named as their respective commissioners:

For the state of Montana:
Fred E. Buck
A. W. Bradshaw
H. W. Bunston
John Herzog
John M. Jarussi
Ashton Jones
Chris Josephson
A. Wallace Kingsbury
P. F. Leonard
Walter M. McLaughlin
Dave M. Manning
Joseph Muggli

Chester E. Onstad
Ed F. Parriott
R. R. Renne
Keith W. Trout

For the state of North Dakota:
I. A. Acker
Einar H. Dahl
J. J. Walsh

For the state of Wyoming:
L. C. Bishop
Earl T. Bower
J. Harold Cash
Ben F. Cochrane
Ernest J. Goppert
Richard L. Greene
E. C. Gwillim
E. J. Johnson
Lee E. Keith
N. V. Kurtz
Harry L. Littlefield
R. E. McNally
Will G. Metz
Mark N. Partridge
Alonzo R. Shreve
Charles M. Smith
Leonard F. Thornton
M. B. Walker

who, after negotiations participated in by R. J. Newell, appointed as the representative of the United States of America, have agreed upon the following articles, to wit:

## Article I

A. Where the name of a state is used in this compact, as a party thereto, it shall be construed to include the individuals, corporations, partnerships, associations, districts, administrative departments, bureaus, political subdivisions, agencies, persons, permittees, appropriators, and all others using, claiming, or in any manner asserting any right to the use of the waters of the Yellowstone River system under the authority of said state.

B. Any individual, corporation, partnership, association, district, administrative department, bureau, political subdivision, agency, person, permittee, or appropriator authorized by or under the laws of a signatory state and all others using, claiming, or in any manner asserting any right to the use of the waters of the Yellowstone River system under the authority of said state shall be subject to the terms of this compact. Where the singular is used in this article, it shall be construed to include the plural.

## Article II

A. The state of Montana, the state of North Dakota, and the state of Wyoming are hereinafter designated as "Montana", "North Dakota", and "Wyoming", respectively.

B. The terms "commission" and "Yellowstone River Compact commission" mean the agency created as provided herein for the administration of this compact.

C. The term "Yellowstone River basin" means areas in Wyoming, Montana, and North Dakota drained by the Yellowstone River and its tributaries and includes the area in Montana known as lake basin but excludes those lands lying within Yellowstone National Park.

D. The term "Yellowstone River system" means the Yellowstone River and all of its tributaries, including springs and swamps, from their sources to the mouth of the Yellowstone River near Buford, North Dakota, except those portions thereof which are within or contribute to the flow of streams within the Yellowstone National Park.

E. The term "tributary" means any stream which in a natural state contributes to the flow of the Yellowstone River, including interstate tributaries and tributaries thereof but excluding those which are within or contribute to the flow of streams within the Yellowstone National Park.

F. The term "interstate tributaries" means the Clarks Fork, Yellowstone River; the Big Horn River (except Little Big Horn River); the Tongue River; and the Powder River, whose confluences with the Yellowstone River are respectively at or near the city (or town) of Laurel, Big Horn, Miles City, and Terry, all in the state of Montana.

G. The terms "divert" and "diversion" mean the taking or removing of water from the Yellowstone River or any tributary thereof when the water so taken or removed is not returned directly into the channel of the Yellowstone River or of the tributary from which it is taken.

H. The term "beneficial use" is herein defined to be that use by which the water supply of a drainage basin is depleted when usefully employed by the activities of man.

I. The term "domestic use" shall mean the use of water by an individual or by a family unit or household for drinking, cooking, laundering, sanitation, and other personal comforts and necessities and for the irrigation of a family garden or orchard not exceeding one-half acre in area.

J. The term "stock water use" shall mean the use of water for livestock and poultry.

### Article III

A. It is considered that no commission or administrative body is necessary to administer this compact or divide the waters of the Yellowstone River basin as between the states of Montana and North Dakota. The provisions of this compact, as between the states of Wyoming and Montana, shall be administered by a commission composed of one representative from the state of Wyoming and one representative from the state of Montana, to be selected by the governors of said states as such states may choose, and one representative selected by the director of the United States geological survey or whatever federal agency may succeed to the functions and duties of that agency, to be appointed by him at the request of the states to sit with the commission and who shall, when present, act as chairman of the commission without vote, except as herein provided.

B. The salaries and necessary expenses of each state representative shall be paid by the respective state; all other expenses incident to the administration of this compact not borne by the United States shall be allocated to and borne one-half by the state of Wyoming and one-half by the state of Montana.

C. In addition to other powers and duties herein conferred upon the commission and the members thereof, the jurisdiction of the commission shall include the collection, correlation, and presentation of factual data, the maintenance of records having a bearing upon the administration of this compact, and recommendations to such states upon matters connected with the administration of this compact, and the commission may employ such services and make such expenditures as reasonable and necessary within the limit of funds provided for that purpose by the respective states and shall compile a report for each year ending September 30 and transmit it to the governors of the signatory states on or before December 31 of each year.

D. The secretary of the army; the secretary of the interior; the secretary of agriculture; the chairman, federal power commission; the secretary of commerce, or comparable officers of whatever federal agencies may succeed to the functions and duties of these agencies and such other federal officers and officers of appropriate agencies of the signatory states having services or data useful or necessary to the compact commission shall cooperate, ex officio, with the commission in the execution of its duty in the collection, correlation, and publication of records and data necessary for the proper administration of the compact; and these officers may perform such other services related to the compact as may be mutually agreed upon with the commission.

E. The commission shall have power to formulate rules and regulations and to perform any act which it may find necessary to carry out the provisions of this compact and to amend such rules and regulations. All such rules and regulations shall be filed in the office of the state engineer of each of the signatory states for public inspection.

F. In case of the failure of the representatives of Wyoming and Montana to unanimously agree on any matter necessary to the proper administration of this compact, then the member selected by the director of the United States geological survey shall have the right to vote upon the matters in disagreement and such points of disagreement shall then be decided by a majority vote of the representatives of the states of Wyoming and Montana and said member selected by the director of the United States geological survey, each being entitled to one vote.

G. The commission herein authorized shall have power to sue and be sued in its official capacity in any federal court of the signatory states and may adopt and use an official seal which shall be judicially noticed.

### Article IV

The commission shall itself or in conjunction with other responsible agencies cause to be established, maintained, and operated such suitable water gauging and evaporation stations as it finds necessary in connection with its duties.

### Article V

A. Appropriative rights to the beneficial uses of the water of the Yellowstone River system existing in each signatory state as of January 1, 1950, shall continue to be enjoyed in accordance with the laws governing the acquisition and use of water under the doctrine of appropriation.

B. Of the unused and unappropriated waters of the interstate tributaries of the Yellowstone River as of January 1, 1950, there is allocated to each signatory state such quantity of that water as shall be necessary to provide supplemental water supplies for the rights described in paragraph A of this Article V, such supplemental rights to be acquired and enjoyed in accordance with the laws governing the acquisition and use of water under the doctrine of appropriation, and the remainder of the unused and unappropriated water is allocated to each state for storage or direct diversions for beneficial use on new lands or for other purposes as follows:

1. Clarks Fork, Yellowstone River
   a. to Wyoming 60%
   to Montana 40%
   b. The point of measurement shall be below the last diversion from Clarks Fork above Rock Creek.
2. Big Horn River (exclusive of Little Big Horn River)
   a. to Wyoming 80%
   to Montana 20%
   b. The point of measurement shall be below the last diversion from the Big Horn River above its junction with the Yellowstone River, and the inflow of the Little Big Horn River shall be excluded from the quantity of water subject to allocation.
3. Tongue River
   a. to Wyoming 40%
   to Montana 60%
   b. The point of measurement shall be below the last diversion from the Tongue River above its junction with the Yellowstone River.
4. Powder River (including the Little Powder River)
   a. to Wyoming 42%
   to Montana 58%
   b. The point of measurement shall be below the last diversion from the Powder River above its junction with the Yellowstone River.

C. The quantity of water subject to the percentage allocations in paragraph B 1, 2, 3, and 4 of this Article V shall be determined on an annual water year basis measured from October 1 of any year through September 30 of the succeeding year. The quantity to which the percentage factors shall be applied through a given date in any water year shall be, in acre-feet, equal to the algebraic sum of:

1. the total diversions, in acre-feet, above the point of measurement, for irrigation, municipal, and industrial uses in Wyoming and Montana developed after January 1, 1950, during the period from October 1 to that given date;

2. the net change in storage, in acre-feet, in all reservoirs in Wyoming and Montana above the point of measurement completed subsequent to January 1, 1950, during the period from October 1 to that given date;

3. the net change in storage, in acre-feet, in existing reservoirs in Wyoming and Montana above the point of measurement, which is used for irrigation, municipal, and industrial purposes developed after January 1, 1950, during the period October 1 to that given date;

4. the quantity of water, in acre-feet, that passed the point of measurement in the stream during the period from October 1 to that given date.

D. All existing rights to the beneficial use of waters of the Yellowstone River in the states of Montana and North Dakota below Intake, Montana, valid under the laws of these states as of January 1, 1950, are hereby recognized and shall be and remain unimpaired by this compact. During the period May 1 to September 30, inclusive, of each year, lands within Montana and North Dakota shall be entitled to the beneficial use of the flow of waters of the Yellowstone River below Intake, Montana, on a proportionate basis of acreage irrigated. Waters of tributary streams having their origin in either Montana or North Dakota, situated entirely in said respective states and flowing into the Yellowstone River below Intake, Montana, are allotted to the respective states in which situated.

E. There are hereby excluded from the provisions of this compact:

1. existing and future domestic and stock water uses of water, provided that the capacity of any reservoir for stock water so excluded shall not exceed 20 acre-feet;

2. devices and facilities for the control and regulation of surface waters.

F. From time to time the commission shall reexamine the allocations herein made and upon unanimous agreement may recommend modifications therein as are fair, just, and equitable, giving consideration among other factors to:

priorities of water rights;
acreage irrigated;
acreage irrigable under existing works; and
potentially irrigable lands.

### Article VI

Nothing contained in this compact shall be so construed or interpreted as to affect adversely any rights to the use of the waters of Yellowstone River and its tributaries owned by or for Indians, Indian tribes, and their reservations.

### Article VII

A. A lower signatory state shall have the right, by compliance with the laws of an upper signatory state, except as to legislative consent, to file application for and receive permits to appropriate and use any waters in the Yellowstone River system not specifically apportioned to or appropriated by such upper state as provided in Article V; and to construct or participate in the construction and use of any dam, storage reservoir, or diversion works in such upper state for the purpose of conserving and regulating water that may be apportioned to or appropriated by the lower state. Provided, that such right is subject to the rights of the upper state to control, regulate, and use the water apportioned to and appropriated by it. And provided further, that should an upper state elect, it may share in the use of any such facilities constructed by a lower state to the extent of its reasonable needs upon assuming or guaranteeing payment of its proportionate share of the cost of the construction, operation, and maintenance. This provision shall apply with equal force and effect to an upper state in the circumstance of the necessity of the acquisition of rights by an upper state in a lower state.

B. Each claim hereafter initiated for an appropriation of water in one signatory state for use in another signatory state shall be filed in the office of the state engineer of the signatory state in which the water is to be diverted, and a duplicate copy of the application or notice shall be filed in the office of the state engineer of the signatory state in which the water is to be used.

C. Appropriations may hereafter be adjudicated in the state in which the water is diverted, and where a portion or all of the lands irrigated are in another signatory state, such adjudications shall be confirmed in that state by the proper authority. Each adjudication is to conform with the laws of the state where the water is diverted and shall be recorded in the county and state where the water is used.

D. The use of water allocated under Article V of this compact for projects constructed after the date of this compact by the United States of America or any of its agencies or instrumentalities shall be charged as a use by the state in which the use is made. Provided, that such use incident to the diversion, impounding, or conveyance of water in one state for use in another shall be charged to such latter state.

### Article VIII

A lower signatory state shall have the right to acquire in an upper state by purchase or through exercise of the power of eminent domain such lands, easements, and rights-of-way for the construction, operation, and maintenance of pumping plants, storage reservoirs, canals, conduits, and appurtenant works as may be required for the enjoyment of the privileges granted herein to such lower state. This provision shall apply with equal force and effect to an upper state in the circumstance of the necessity of the acquisition of rights by an upper state in a lower state.

### Article IX

Should any facilities be constructed by a lower signatory state in an upper signatory state under the provisions of Article VII, the construction, operation, repairs, and replacements of such facilities shall be subject to the laws of the upper state. This provision shall apply with equal force and effect to an upper state in the circumstance of the necessity of the acquisition of rights by an upper state in a lower state.

### Article X

No water shall be diverted from the Yellowstone River basin without the unanimous consent of all the signatory states. In the event water from another river basin shall be imported into the Yellowstone River basin or transferred from one tributary basin to another by the United States of America, Montana, North Dakota, or Wyoming or any of them jointly, the state having the right to the use of such water shall be given proper credit therefor in determining its share of the water apportioned in accordance with Article V herein.

### Article XI

The provisions of this compact shall remain in full force and effect until amended in the same manner as it is required to be ratified to become operative as provided in Article XV.

### Article XII

This compact may be terminated at any time by unanimous consent of the signatory states, and upon such termination all rights then established hereunder shall continue unimpaired.

### Article XIII

Nothing in this compact shall be construed to limit or prevent any state from instituting or maintaining any action or proceeding, legal or equitable, in any federal court or the United States supreme court, for the protection of any right under this compact or the enforcement of any of its provisions.

### Article XIV

The physical and other conditions characteristic of the Yellowstone River and peculiar to the territory drained and served thereby and to the development thereof have actuated the signatory states in the consummation of this compact, and none of them, or the United States of America by its consent and approval, concedes thereby the establishment of any general principle or precedent with respect to other interstate streams.

### Article XV

This compact shall become operative when approved by the legislature of each of the signatory states and consented to and approved by the congress of the United States.

### Article XVI

Nothing in this compact shall be deemed:

(a) to impair or affect the sovereignty or jurisdiction of the United States of America in or over the area of waters affected by such compact, any rights or powers of the United States of America, its agencies, or instrumentalities in and to the use of the waters of the Yellowstone River basin or its capacity to acquire rights in and to the use of said waters;

(b) to subject any property of the United States of America, its agencies, or instrumentalities to taxation by any state or subdivision thereof or to create an obligation on the part of the United States of America, its agencies, or instrumentalities, by reason of the acquisition, construction, or operation of any property or works of whatsoever kind, to make any payments to any state or political subdivision thereof, state agency, municipality, or entity whatsoever in reimbursement for the loss of taxes;

(c) to subject any property of the United States of America, its agencies, or instrumentalities to the laws of any state to an extent other than the extent to which these laws would apply without regard to the compact.

### Article XVII

Should a court of competent jurisdiction hold any part of this compact to be contrary to the constitution of any signatory state or of the United States of America, all other severable provisions of this compact shall continue in full force and effect.

### Article XVIII

No sentence, phrase, or clause in this compact or in any provision thereof shall be construed or interpreted to divest any signatory state or any of the agencies or officers of such states of the jurisdiction of the water of each state as apportioned in this compact.

IN WITNESS WHEREOF the commissioners have signed this compact in quadruplicate original, one of which shall be filed in the archives of the department of state of the United States of America and shall be deemed the authoritative original, and of which a duly certified copy shall be forwarded to the governor of each signatory state.

Done at the city of Billings in the state of Montana, this 8th day of December, in the year of Our Lord, one thousand nine hundred and fifty.

Commissioners for the state of Montana:

| | |
|---|---|
| Fred E. Buck | /S/Fred E. Buck |
| A. W. Bradshaw | /S/A. W. Bradshaw |
| H. W. Bunston | /S/H. W. Bunston |
| John Herzog | /S/John Herzog |
| John M. Jarussi | /S/John M. Jarussi |
| Ashton Jones | /S/Ashton Jones |
| Chris Josephson | /S/Chris Josephson |
| A. Wallace Kingsbury | /S/A. Wallace Kingsbury |
| P. F. Leonard | /S/P. F. Leonard |
| Walter M. McLaughlin | /S/Walter M. McLaughlin |
| Dave M. Manning | /S/Dave M. Manning |
| Joseph Muggli | /S/Joseph Muggli |
| Chester E. Onstad | /S/Chester E. Onstad |
| Ed F. Parriott | /S/Ed F. Parriott |
| R. R. Renne | /S/R. R. Renne |
| Keith W. Trout | /S/Keith W. Trout |

Commissioners for the state of North Dakota:

| | |
|---|---|
| I. A. Acker | /S/I. A. Acker |
| Einar H. Dahl | /S/Einar H. Dahl |
| J. J. Walsh | /S/J. J.Walsh |

Commissioners for the state of Wyoming:

| | |
|---|---|
| L. C. Bishop | /S/L. C. Bishop |
| Earl T. Bower | /S/Earl T. Bower |
| J. Harold Cash | /S/J. Harold Cash |
| Ben F. Cochrane | /S/Ben F. Cochrane |
| Ernest J. Goppert | /S/Ernest J. Goppert |
| Richard L. Greene | /S/Richard L. Greene |
| E. C. Gwillim | /S/E. C. Gwillim |
| E. J. Johnson | /S/E. J. Johnson |
| Lee K. Keith | /S/Lee K. Keith |
| N. V. Kurtz | /S/N. V. Kurtz |
| Harry L. Littlefield | /S/Harry L. Littlefield |
| R. E. McNally | /S/R. E. McNally |
| Will G. Metz | /S/Will G. Metz |
| Mark N. Partridge | /S/Mark N. Partridge |
| Alonzo R. Shreve | /S/Alonzo R. Shreve |
| Charles M. Smith | /S/Charles M. Smith |
| Leonard F. Thornton | /S/Leonard F. Thornton |
| M. B. Walker | /S/M. B. Walker |

I have participated in the negotiation of this compact and intend to report favorably thereon to the congress of the United States.

/S/ R. J. Newell
R. J. Newell,
Representative of the
United States of America.

**History:** **En. Sec. 1, Ch. 39, L. 1951; R.C.M. 1947, 89-903.**

**Cross-References**

Definitions, 85-2-801.

**85-20-102. Purpose of the part.** Under the provisions of the Yellowstone River Compact (Chapter 39, Laws of Montana 1951), all appropriative rights to the beneficial uses of the waters of the interstate tributaries of the Yellowstone River existing in each signatory state as of January 1, 1950, have been recognized and shall continue to be enjoyed in accordance with the laws governing the acquisition and use of water under the doctrine of appropriation. All appropriative rights to the beneficial uses of the waters of the interstate tributaries of the Yellowstone River acquired after January 1, 1950, are subject to distribution in the states of Montana and Wyoming in accordance to the percentages in the different basins as provided in subsections (2) and (3) of Article V of said compact. The purpose of this part is to provide the means to determine the various appropriative rights to the beneficial uses of water of the interstate tributaries of the Yellowstone River acquired after January 1, 1950, and the quantity of water diverted and used by each such appropriator during each year, to enable the state of Montana and the Yellowstone River Compact commission to comply with and to administer the percentage allocations as provided in subsections (2) and (3) of Article V of said compact.

**History:** **En. Sec. 1, Ch. 92, L. 1953; R.C.M. 1947, 89-905.**

**85-20-103. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(2) "Divert" and "diversion" mean the taking or removing of water from any interstate tributary or any tributary thereof, when the water so taken or removed is not returned directly into the channel of the interstate tributary or of the tributary thereof from which it is taken.

(3) "Domestic use" means the use of water by an individual or by a family unit or household for drinking, cooking, laundering, sanitation, and other personal comforts and necessities and for the irrigation of a family garden or orchard not exceeding one-half acre in area.

(4) "Interstate tributaries" or "interstate tributary" means the following described rivers which contribute to the flow of the Yellowstone River in the state of Montana, including all tributaries thereof: the Clarks Fork of the Yellowstone River; the Big Horn River (except the Little Big Horn River); the Tongue River; and the Powder River, whose confluences with the Yellowstone River are respectively at or near the city (or town) of Laurel, Big Horn, Miles City, and Terry, all in the state of Montana.

(5) "Person" means any person, corporation, partnership, association, municipal corporation, agency, and all others authorized by the laws of the state to appropriate water for beneficial uses.

(6) "Stock water use" means the use of water for livestock and poultry.

**History:** En. Sec. 2, Ch. 92, L. 1953; amd. Sec. 156, Ch. 253, L. 1974; R.C.M. 1947, 89-906.

**85-20-104. Filing written statement with department.** (1) Any person claiming an appropriative right to the use of any water of any interstate tributary, which right was acquired after January 1, 1950, shall, within 60 days after February 25, 1953, or before he diverts any water, file with the department at its office in Helena, Montana, a written statement containing the following information:

(a) the name of the claimant and his address;

(b) date of appropriation or the date when the water was first applied to a beneficial use;

(c) the quantity of water claimed;

(d) the name of the stream, river, or other source of water from which the diversion is made, if it has a name, and if it does not, a description identifying the same;

(e) the purpose for which the water is claimed and the place of intended use;

(f) the means of diversion;

(g) whether or not a weir or other device for measuring the water intended to be diverted has been installed in his ditch or other means of diversion;

(h) if a notice of appropriation was filed with the county clerk and recorder, the name of the county where it was filed;

(i) whether the appropriation was made from an adjudicated or nonadjudicated stream, river, or other source of water.

(2) The written statement shall be verified by the affidavit of the claimant or someone in his behalf. The affidavit must state that the matters and facts contained in the written statement are true.

**History:** En. Sec. 3, Ch. 92, L. 1953; amd. Sec. 10, Ch. 280, L. 1965; amd. Sec. 157, Ch. 253, L. 1974; amd. Sec. 11, Ch. 460, L. 1977; R.C.M. 1947, 89-907.

**85-20-105. Duty to install measuring devices.** Any person claiming an appropriative right to use any waters of any interstate tributary of the Yellowstone River, which right was acquired subsequently to January 1, 1950, shall, after February 25, 1953, and before he diverts any such water, install in his ditch or other means of diversion a weir or other measuring device so that all of the water to be diverted by him can be accurately measured. The installation of a weir or other measuring device is subject to the approval of the department, and if in its judgment such weir or other measuring device or the installation of the same is defective so that the water cannot be accurately measured, it may order the installation of an accurate measuring device. The claimant shall not divert any water until he complies with such order.

**History:** En. Sec. 4, Ch. 92, L. 1953; amd. Sec. 11, Ch. 280, L. 1965; amd. Sec. 158, Ch. 253, L. 1974; R.C.M. 1947, 89-908.

**85-20-106. Duty to measure water.** Each claimant shall measure all the water being diverted by him and keep accurate records thereof on forms prescribed and furnished by the department and, within 15 days after November 1 of each year, file the written records with the department at its office in Helena, Montana.

**History:** En. Sec. 5, Ch. 92, L. 1953; amd. Sec. 12, Ch. 280, L. 1965; amd. Sec. 159, Ch. 253, L. 1974; R.C.M. 1947, 89-909.

**85-20-107. Status of prior rights.** The rights to the beneficial use of any water of any interstate tributary of the Yellowstone River acquired prior to and including January 1, 1950, shall not be impaired by or subject to this part.

**History:** En. Sec. 6, Ch. 92, L. 1953; R.C.M. 1947, 89-910.

**85-20-108. Domestic and stock uses exempted.** Any appropriation of water from any interstate tributary of the Yellowstone River made for domestic or stock water uses will not come within the provisions of this part whenever the capacity of a reservoir for stock water does not exceed 20 acre-feet.

**History:** En. Sec. 7, Ch. 92, L. 1953; amd. Sec. 12, Ch. 460, L. 1977; R.C.M. 1947, 89-911.

**85-20-109. Board of natural resources and conservation to make rules.** The board of natural resources and conservation shall adopt and the department shall enforce reasonable rules consistent with this part and the Yellowstone River Compact.

**History:** En. Sec. 8, Ch. 92, L. 1953; amd. Sec. 13, Ch. 280, L. 1965; amd. Sec. 160, Ch. 253, L. 1974; R.C.M. 1947, 89-912.

**85-20-110. Application to adjudicated and nonadjudicated waters.** The provisions of this part shall apply to both adjudicated and nonadjudicated waters of the interstate tributaries of the Yellowstone River.

**History:** En. Sec. 9, Ch. 92, L. 1953; R.C.M. 1947, 89-913.

**85-20-111. Department to make record available.** The department shall furnish and make available to the Yellowstone River Compact commission, from the records filed in its office, all appropriative rights acquired after January 1, 1950, to the use of the waters of the interstate tributaries of the Yellowstone River in the state of Montana, the amount of the annual diversions from those interstate tributaries, and any other information that its records may disclose as may be required by the Yellowstone River Compact commission.

**History:** En. Sec. 10, Ch. 92, L. 1953; amd. Sec. 14, Ch. 280, L. 1965; amd. Sec. 161, Ch. 253, L. 1974; R.C.M. 1947, 89-914.

**85-20-112. Services of county attorneys.** The county attorneys of the state shall perform such legal services and bring such proceedings in carrying out the purposes of this part within their respective counties as the department shall require.

**History:** En. Sec. 11, Ch. 92, L. 1953; amd. Sec. 162, Ch. 253, L. 1974; R.C.M. 1947, 89-915.

**85-20-113. Penalty.** Any person who violates or refuses or neglects to comply with any provision of this part or any order or rule adopted by the board or department pursuant thereto or the Yellowstone River Compact is guilty of a misdemeanor and upon conviction shall be fined not less than $25 or more than $200 for each offense.

**History:** En. Sec. 12, Ch. 92, L. 1953; amd. Sec. 163, Ch. 253, L. 1974; R.C.M. 1947, 89-916.

**85-20-114 through 85-20-120 reserved.**

**85-20-121. Yellowstone compact obligations unimpaired.** Nothing contained in Chapter 280, Laws of 1965, shall in any manner impair the obligations of the state of Montana under the Yellowstone River Compact.

**History: En. Sec. 20, Ch. 280, L. 1965; R.C.M. 1947, 89-103.7.**

## Part 2

## Fort Peck-Montana Compact

**Part Cross-References**

Reserved Water Rights Compact Commission, 2-15-212.

Indian and federal water rights, Title 85, ch. 2, part 7.

**85-20-201. Fort Peck-Montana compact ratified.** The compact entered into by the state of Montana and the Assiniboine and Sioux tribes of the Fort Peck Indian reservation and filed with the secretary of state of the state of Montana under the provisions of 85-2-702 on May 15, 1985, is ratified. The compact is as follows:

### FORT PECK-MONTANA COMPACT

This Compact is entered into by and between THE STATE OF MONTANA and THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK INDIAN RESERVATION (herein called the "Parties") and shall become effective as set forth hereinafter.

The Parties agree as follows:

### ARTICLE I
### GENERAL PURPOSES

The basic purposes of this Compact are to determine finally and forever all rights of the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation in the State of Montana to water on, under, adjacent to, or otherwise appurtenant to the Reservation, to settle existing disputes and remove causes of future controversy between the Tribes and the State and between Indians of the Fort Peck Reservation and other persons concerning waters of the Missouri River, its tributaries, and ground water, and to settle all claims by the Tribes and by the United States on behalf of the Tribes in United States v. Aageson, Civ. No. 79-21-GF (D. Mont.), United States v. Aasheim, Civ. No. 79-40-BLG (D. Mont.) and the pending adjudication in the state water court initiated pursuant to the provisions of Chapter 697, Laws of Montana 1979.

### ARTICLE II
### DEFINITIONS

For purposes of this Compact, and for no other purposes, the following definitions apply:

(1) "Acre-foot" means the amount of water necessary to cover one acre to a depth of one foot and is equivalent to 43,560 cubic feet.

(2) "Annual" or "per year" means the calendar year commencing January 1 and ending December 31.

(3) "Board" means the Fort Peck-Montana Compact Board established by Article VI.

(4) "Conservation (carry-over) storage" is storage provided in a reservoir to capture and hold water that would otherwise go downstream. Such storage holds the water for beneficial use later in the season or is carried over to a subsequent season or seasons. Evaporation from the surface of such reservoir is considered to be a consumptive use to the extent that it exceeds the evaporative and transpirational losses which occurred in the reservoir area prior to its construction.

(5) "Consumptive use" means the amount of irrigation water that is transpired by vegetation, converted in the processes of photosynthesis and plant tissue growth, and evaporated from adjacent soils, water surfaces and foliage. For uses other than irrigation, consumptive use means the quantity of water diverted less the quantity of reusable return flow within the State.

(6) "Court of competent jurisdiction" means a state or federal district court which otherwise has jurisdiction of the subject matter and the parties, or a tribal court which otherwise has such jurisdiction provided that all parties to the case consent to tribal court jurisdiction.

(7) "Diversion" means the removal of water from its natural course or location by means of a ditch, canal, flume, bypass, pipeline, conduit, well, pump, or other structure or device, or the impoundment of water in a reservoir. Where a reservoir is constructed or operated on a stream, the annual diversion shall be the greater of:

(a) the inflow into the reservoir minus the outflow for releases or spills downstream from the reservoir, or

(b) withdrawals of water from the reservoir for actual use.

(8) "Domestic use" means the diversion of water by one or more individuals, family units or households for drinking, cooking, laundering, sanitation and other personal comforts and necessities; and for the irrigation of a family garden or orchard not exceeding one-half acre in area.

(9) "Fort Peck Irrigation Project" means those irrigation systems and works constructed pursuant to the Act of May 30, 1908, 35 Stat. 558, and all lands receiving water from such systems and works.

(10) "Fort Peck Reservoir" means that body of surface water impounded by Fort Peck Dam, at the current spillway elevation.

(11) "Full service irrigation" means any form of irrigation that distributes water on a regularly scheduled basis in order to satisfy the full seasonal crop and soil water requirements.

(12) "Ground water" means any water located under the surface of the land or the bed of any stream, lake, reservoir, or other body of surface water. All other water shall be considered surface water.

(13) "Indian" means any person who:

(a) is an enrolled member of the Tribes; or

(b) is a member of a tribe that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; or

(c) holds or is recognized by the Secretary of the Interior as eligible to hold trust or restricted property on the Reservation.

(14) "Industrial" means the use of water for any uses that benefit an industrial enterprise including, but not limited to, industrial cooling, energy production, and evaporation associated with any industrial operation. Among the

purposes excluded from the industrial use category are irrigation, stockwater, and domestic uses.

(15) "Instream flow" means that quantity of water scheduled to remain in a stream to maintain fish and wildlife resources.

(16) "Missouri River" means the river formed by the confluence of the Gallatin, Jefferson and Madison Rivers in southwestern Montana, and flowing easterly beyond the eastern boundary of Montana.

(17) "Partial service irrigation" means the diversion of flood runoff from natural channels or water courses and spreading such water for the purpose of applying as much water as practicable to the land during periods of high stream flow to increase crop production.

(18) "Parties" means the Tribes and the State.

(19) "Person" means an individual or any other entity, public or private, including the State, the Tribes, and the government of the United States and all officers, agents, and departments thereof.

(20) "Regulatory Storage" is storage provided as a part of a water distribution system for operational purposes. Evaporation loss from the distribution system itself is accounted for and is a part of the unit consumptive use rate established in this Compact and is therefore not considered to be a separate item of consumptive use.

(21) "Reservation" means the Fort Peck Indian Reservation as established in the agreement of December 28 and December 31, 1886, and confirmed by the Act of May 1, 1888, 25 Stat. 113.

(22) "Reusable" means capable of further beneficial use.

(23) "State" means the State of Montana and all officers, agents, departments, and political subdivisions thereof. Unless otherwise indicated, for purposes of notification or consent, "State" means the Director of the State Department of Natural Resources and Conservation or its successor agency.

(24) "Transfer" means any authorization for the delivery or use of water by a joint venture, service contract, lease, sale, exchange or other similar agreement.

(25) "Tribal Water Right" means the right to divert and use water as confirmed by Article III of this Compact.

(26) "Tribes" means the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation and all officers, agents and departments thereof. Unless otherwise indicated, for purposes of notification or consent, "Tribes" means the Tribal Chairman or the Chief Executive Official of the Tribes at the time.

(27) "Tributary" or "tributaries of the Missouri River that flow through or adjacent to the Reservation" means those tributaries of the Missouri River that traverse the Reservation, generally in a north to south direction, including:

(a) streams that form the east and west boundaries of the Reservation (Big Muddy Creek, Porcupine Creek and the Milk River);

(b) streams that originate outside the Reservation but empty into the Missouri River within the boundaries of the Reservation (the Poplar River and its tributaries);

(c) streams that are wholly contained within the boundaries of the Reservation (Chelsea Creek, Tule Creek, Wolf Creek, Oswego Creek, and Little Porcupine Creek); and

(d) all other watercourses that traverse the Reservation.

(28) "Wasteful" means the unreasonable loss of water through the design or negligent operation of a diversion or of a water distribution facility.

## ARTICLE III
## TRIBAL WATER RIGHT

A. General Statement of the Tribal Water Right. The Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation have the right to divert annually from the Missouri River, certain of its tributaries, and ground water beneath the Reservation the lesser of (i) 1,050,472 acre-feet of water, or (ii) the quantity of water necessary to supply a consumptive use of 525,236 acre-feet per year for the uses and purposes set forth in this Compact with a priority date of May 1, 1888, provided that no more than 950,000 acre-feet of water, or the quantity of water necessary to supply a consumptive use of 475,000 acre-feet may be diverted annually from surface water sources. This right is held in trust by the United States for the benefit of the Tribes and is further defined and limited as set forth in this Compact.

B. Persons Who May Use the Tribal Water Right. All uses of water authorized under any applicable law by the following persons shall be considered and calculated as uses of the Tribal Water Right:

1. the Tribes within or outside the Reservation;

2. all individual Indians using water within the Reservation including, but not limited to, Indians exercising uses established pursuant to state law prior to the effective date of this Compact;

3. all non-Indian successors-in-interest to any allottee actually using water within the Reservation by virtue of a water right arising under the laws of the United States, which water right was acquired directly or indirectly from an Indian predecessor-in-interest;

4. all other persons receiving water from the Fort Peck Irrigation Project including, but not limited to, persons exercising uses established pursuant to state law prior to the effective date of this Compact;

5. all other persons authorized to use water by the Tribes pursuant to this Compact, within or outside the Reservation;

6. the United States as trustee for the Tribes or any Indian including, but not limited to, persons exercising uses established pursuant to state law prior to the effective date of this Compact.

C. Measure of Consumptive Use for Irrigation. Irrigation usage of the Tribal Water Right shall be conclusively deemed to cause a consumptive use of 1.8 acre-feet per acre per year for full service irrigation and 0.48 acre-feet per acre per year for partial service irrigation. Any loss of water due to evaporation from reservoirs constructed in the future for conservation (carry-over) storage rather than for regulatory storage by the United States for the benefit of the Tribes or any Indian, or constructed for such conservation storage by the Tribes or by any Indian, shall be counted as a consumptive use.

D. Purposes for Which the Tribal Water Right May be Used. Within the Reservation, use of water in the exercise of the Tribal Water Right for any purpose may be authorized by the Tribes without regard to whether such use is beneficial as defined by valid state law. No use of the Tribal Water Right may be wasteful or inconsistent with the terms of this Compact. Outside the Reservation, any use of water in the exercise of the Tribal Water Right shall be beneficial as defined by valid state law on the date the Tribes give notice to the State of a proposed use outside the Reservation.

E. Facilities Diverting or Using the Tribal Water Right Outside the Reservation. All persons diverting or using the Tribal Water Right outside the Reservation, including the Tribes as sovereign, shall apply for all permits, certificates, variances and other authorizations required by valid state laws regulating, conditioning or permitting the siting, construction, operation, alteration or use of any equipment, device, facility or associated facility proposed to use or transport water located outside the Reservation, and shall comply with all applicable provisions of this Compact. A diversion or use of water in the exercise of the Tribal Water Right may be made only after all permits, certificates, variances or other authorizations applied for pursuant to this paragraph have been obtained, and the diversion or use has not been found unlawful by a court of competent jurisdiction.

F. Amounts To Be Diverted from the Missouri River.

1. Diversions of water for use within or outside the Reservation may be made in the exercise of the Tribal Water Right from Fort Peck Reservoir and the mainstem of the Missouri River—but without utilization of the conservation (carry-over) storage of Fort Peck Reservoir—in the following amounts:

(a) during the months of November, December, January, February and March, not to exceed 40,000 acre-feet per month;

(b) during the months of April and October, not to exceed 50,000 acre-feet per month;

(c) during the months of May and September, not to exceed 105,000 acre-feet per month;

(d) during the month of June, not to exceed 145,000 acre-feet;

(e) during the month of July, not to exceed 215,000 acre-feet;

(f) during the month of August, not to exceed 180,000 acre-feet.

Provided that the aggregate of monthly diversions in the exercise of the Tribal Water Right from surface water shall not exceed 950,000 acre-feet per year, and the total annual consumptive use shall not exceed 475,000 acre-feet.

2. The Tribes shall report the amount of all actual diversions from Fort Peck Reservoir and the mainstem of the Missouri River to the United States Army Corps of Engineers by April 1st of the calendar year following the year in which such diversions are made in accordance with paragraph 5 of section J of this Article.

3. All diversions authorized by paragraph 1 of this section may be made without payment to the United States, but the Tribes and any user of the Tribal Water Right shall otherwise comply with all generally applicable laws and regulations of the United States.

G. Export of the Tribal Water Right Outside the State. Use of the Tribal Water Right outside the State shall be in compliance with all valid provisions of state law in effect at the time of the proposed transfer that prohibit, regulate, condition, or permit the transportation of water outside the State.

H. Non-use of the Tribal Water Right not a Forfeiture. Non-use of any part of the Tribal Water Right shall not constitute a relinquishment, forfeiture or abandonment of the right to such use.

I. Sources of Diversions of the Tribal Water Right. In the exercise of the Tribal Water Right water may be diverted:

1. Within the Reservation for use within the Reservation from:

(a) the mainstem of the Missouri River within or adjacent to the Reservation;

(b) any tributary of the Missouri River that flows through or adjacent to the Reservation, except the mainstem of the Milk River; and

(c) any ground water source.

2. Outside the Reservation for use within the Reservation from:

(a) Fort Peck Reservoir;

(b) any tributary of the Missouri River that flows through or adjacent to the Reservation, except the mainstem of the Milk River; and

(c) the mainstem of the Missouri River below Fort Peck Dam.

Diversions authorized by subparagraphs (a) and (c) shall comply with paragraph 1 of section J of this Article.

3. Within or outside the Reservation for use outside the Reservation from:

(a) Fort Peck Reservoir;

(b) any tributary of the Missouri River that flows through or adjacent to the Reservation, except the mainstem of the Milk River, provided that water from these sources shall not be transported outside the respective watershed of each stream;

(c) the mainstem of the Missouri River below Fort Peck Dam; and

(d) the mainstem of the Missouri River above Fort Peck Reservoir.

Diversions authorized by subparagraphs (a) and (c) shall comply with paragraph 1 of section J of this Article. Diversions authorized by subparagraph (b) shall comply with paragraph 4 of section K of this Article. Diversions authorized by subparagraph (d) shall comply with paragraph 3 of section J of this Article.

J. Notice of and Conditions upon Diversions and Uses of the Tribal Water Right.

1. The Tribes shall give the State not less than 180 days advance written notice of any proposed diversion or use of the Tribal Water Right authorized by subparagraphs 2(a) and 2(c) and subparagraphs 3(a) and 3(c) of section I of this Article and shall, in the case of any transfer of the Tribal Water Right, except agreements on the tributaries pursuant to paragraph 4 of section K of this Article, offer the State an opportunity to participate as provided in paragraph 2 of section K of this Article. Such notice shall include sufficient documentation to demonstrate that:

(a) the proposed use of water complies with section D of this Article;

(b) for diversions outside the Reservation, the proposed means of diversion and the construction and operation of the diversion works are adequate;

(c) the proposed use and diversion will not adversely affect, except with the consent of the owner of such right, any of the following rights to the use of water existing at that time:

(i) any water right arising under the laws of the United States;

(ii) any appropriative right to the use of water established pursuant to the laws of the State that has not been abandoned, but excluding any reservation of water made pursuant to the laws of the State which has not been put to actual beneficial use by the date notice is given;

(d) the proposed use does not cause any unreasonable significant adverse environmental impact; and

(e) proposed diversions in excess of 4,000 acre-feet per year and 5.5 cubic feet per second of water will not:

(i) substantially impair the quality of water for existing uses in the source of water from which the diversion is made;

(ii) be made where low quality water which can economically be used is legally and physically available to the Tribes for the proposed use;

(iii) create or substantially contribute to saline seep; or

(iv) substantially injure fish or wildlife populations in the source of water from which the diversion is made.

The requirements of subparagraph (c) of this paragraph may be satisfied by a showing that the owner of such right has consented to the adverse effect. Subparagraph (c) shall not be construed to alter or avoid in any way the consequences resulting from such consent under state law.

2. A proposed diversion or use of the Tribal Water Right outside the Reservation authorized by subparagraphs 2(a) and 2(c) and subparagraphs 3(a) and 3(c) of section I of this Article may be challenged only:

(a) within 30 days after the expiration of the notice period provided in paragraph 1 of this section;

(b) in a court of competent jurisdiction; and

(c) by the State or by a person whose rights are adversely affected by the proposed diversion or use.

In any such case, the Tribes shall have the burden of going forward and the burden of proving by a preponderance of the evidence that they have satisfied the requirements of paragraph 1 of this section.

3. Diversions of water in the exercise of the Tribal Water Right outside the Reservation from the mainstem of the Missouri River above Fort Peck Reservoir, as authorized in subparagraph 3(d) of section I of this Article, may be made so long as the Tribes or any user of the Tribal Water Right:

(a) comply with all the laws of the State in effect at the time the diversion is proposed, including but not limited to state water use statutes;

(b) give not less than 180 days advance written notice of any proposed diversion in the manner required in paragraph 5 of this section:

(i) if the diversion is to be made from a reservoir, to the operator of the reservoir; or

(ii) if the diversion is not to be made from a reservoir, to the operator of the first dam, upstream and downstream, if any, from the point of diversion;

(c) obtain approval of the diversion from the State legislature.

4. For purposes of demonstrating compliance with subparagraph 1(c) and subparagraph 3(a) of this section and paragraph 6 of Section K of this Article, the portion of the Tribal Water Right to be diverted will be deemed an appropriative right which has:

(a) been acquired on May 1, 1888;

(b) a point of diversion and use where the water is actually being diverted and used or, if not actually being diverted, where the water would first flow on or adjacent to the Reservation;

(c) the existing use or, if not actually in use, an irrigation use provided, however, that the use can be transferred to a purpose other than irrigation without restriction as to period of use so long as the requirements of Section F of this Article are observed;

(d) the actual consumptive use or, if not actually in use or if being used for irrigation purposes, a consumptive use of 1.8 acre-feet per acre per year; and

(e) not been abandoned or forfeited.

5. Any notice of a diversion required by paragraph 3 of this section and any report of a diversion required by paragraph 2 of section F of this Article shall specify:

(a) the person authorized to make the diversion;
(b) the amount of water proposed or authorized to be diverted annually;
(c) the amount proposed or authorized for annual consumptive use;
(d) the point of diversion;
(e) the period of use;
(f) the place of use; and
(g) the purposes for which the water may be used.

K. Transfers of the Tribal Water Right.

1. As an incident to and in the exercise of the Tribal Water Right, the Tribes may transfer within or outside the Reservation, as authorized by federal law and this Compact, the right to use water but may not permanently alienate such right or any part thereof. Any such transfer of water by the Tribes shall be subject to all provisions of this Compact.

2. Prior to making any transfer which authorizes use of water outside the Reservation to be diverted from the mainstem of the Missouri River, including Fort Peck Reservoir, the Tribes shall give not less than 180 days advance written notice to the State of the proposed terms and conditions of the transfer, and shall offer the State the opportunity to participate in the transfer as a substantially equal partner with the Tribes, assuming obligations and receiving benefits of the transfer under terms and conditions agreed to by the Parties. If the State does not accept the opportunity within the 180-day notice period, or if the State unreasonably delays the institution or completion of approval processes required by state law or unreasonably delays resolution of any litigation arising from its decision to accept the opportunity, the Tribes may proceed with the proposed transfer without State participation, provided that the proposed transfer shall be subject to all other provisions of this Compact. If the State does not accept the opportunity, or if State participation in the joint transfer is not approved, the State shall not later pursue the opportunity, except in accordance with all the terms of this Compact, including paragraph 3 of this section.

3. Prior to making any transfer allowing use or diversion of water from Fort Peck Reservoir or from the mainstem of the Missouri River below Fort Peck Dam, the State shall give not less than 180 days advance written notice to the Tribes of the proposed terms and conditions of the transfer and shall offer the Tribes the same opportunity to participate in the transfer as a substantially equal partner with the State, assuming obligations and receiving benefits of the transfer on terms and conditions agreed to by the Parties. If the Tribes do not accept the opportunity within the 180 day notice period, the State may proceed with the proposed transfer without the Tribes' participation, and the Tribes shall not later pursue the opportunity except in accordance with all the terms of this Compact, including paragraph 2 of this section.

4. If otherwise authorized by federal law, the Tribes may enter into an agreement with any person who is exercising or proposing to exercise a right under the laws of the State to use surface water outside the Reservation on any tributary of the Missouri River that flows through or adjacent to the

Reservation, except the mainstem of the Milk River, which agreement allows such person's diversion and use and protects it from any other exercise of the Tribal Water Right provided, however, that:

(a) before use of such water, the person shall have complied with all applicable state laws concerning the acquisition of a water right;

(b) subsequent to acquisition of the state water right, regulation of its use shall be subject to state law;

(c) the amount of water subject to the agreement shall be considered a consumptive use of the Tribal Water Right;

(d) the agreement shall not permanently alienate the Tribal Water Right or any part thereof.

5. The Tribes may transfer annually only the following amounts of water for consumptive use outside the Reservation:

(a) 50,000 acre-feet;

(b) plus 35 percent of any amount over 200,000 acre-feet but less than 300,000 acre-feet authorized by state law to be transferred annually by the State from waters within the State;

(c) plus 50 percent of any amount over 300,000 acre-feet authorized by state law to be transferred annually by the State from waters within the State.

Transfers of the Tribal Water Right shall not be considered as part of any amounts authorized by state law to be transferred annually by the State.

6. In no event shall the Tribes be authorized to transfer less than 50,000 acre-feet of water per year outside the Reservation. The limits established in paragraph 5 of this section shall apply so long as the State is authorized to transfer annually at least 50,000 acre-feet of water pursuant to state law. If statutory authorization for the State to transfer water is not enacted, is repealed, or is held invalid, or if the amount of water authorized by state law to be transferred by the State is less than 50,000 acre-feet per year, then for any period in which the authorization or the limitation is not in force the Tribes may transfer water in accordance with all terms and conditions of this Compact other than paragraph 5 of this section. However, such transfers will be subject to any volume limitations provided by federal law or, in the absence of any federal volume limitations, the Tribes may transfer water in accordance with all terms and conditions in this Compact other than paragraph 5 of this section and with any volume limitations imposed by state law which would apply to a holder of a right to the use of water established pursuant to state law. For the purposes of complying with volume limitations imposed by state law, the Tribal Water Right will be deemed to have the characteristics set forth in paragraph 4 of section J of this Article.

7. Unless authorized by federal law, the State shall not in any manner whatsoever tax any proceeds received by the Tribes as consideration for any transfer of the Tribal Water Right.

L. Instream Flows.

1. At any time within five years after the effective date of this Compact, the Tribes may establish a schedule of instream flows to maintain any fish or wildlife resource in those portions of streams, excluding the mainstem of the Milk River, which are tributaries of the Missouri River that flow through or adjacent to the Reservation. These instream flows shall be a part of the Tribal Water Right with a priority date of May 1, 1888. Water remaining in

a stream to maintain instream flows pursuant to such a schedule shall be counted by the Tribes as a consumptive use of surface water.

2. Instream flows may be established by the Tribes only in accordance with this section. The Tribes may change the use of water for maintenance of instream flows to another purpose only with the consent of the State.

M. No Other Diversion or Use of the Tribal Water Right. No other diversion or use of the Tribal Water Right shall be made other than those authorized or recognized by this Article.

## ARTICLE IV
## PROTECTION OF USES UNDER STATE LAW

A. Uses Protected.

1. The following existing and proposed uses of water by Indians within the Reservation are protected and shall not be subordinated to any other uses by subsequent provisions of this Article:

(a) a maximum of 113 acres of irrigated land within the Wolf Creek watershed;

(b) a maximum of 11 acres of irrigated land within the Poplar River watershed;

(c) a maximum of 523 acres of irrigated land within the Big Muddy Creek watershed; and

(d) a maximum of 300 acres of land irrigated with ground water near the confluence of Porcupine Creek and the Milk River.

2. Uses of water by Indians within the Reservation for stockwatering purposes not in excess of 20 acre-feet per year for each impoundment and for all domestic uses are protected and shall not be subordinated to any other uses by subsequent provisions of this Article.

3. With the exception of the uses protected in paragraphs 1 and 2 of this section, diversion and use of water in the exercise of the Tribal Water Right except from the mainstem of the Missouri River, including water allocated to instream flow purposes, shall be subordinate to the following uses of water in the Porcupine Creek, Poplar River, Big Muddy Creek, Little Porcupine Creek, Wolf Creek, Tule Creek, and Chelsea Creek watersheds, including all tributary streams within those watersheds, and all underlying ground water whether or not hydrologically connected with the surface water:

(a) the beneficial uses of water with a priority date of December 31, 1984 or earlier established under the laws of the State and identified in Appendix A to this Compact;

(b) such rights of the United States Fish and Wildlife Service to the waters of Big Muddy Creek for the Medicine Lake National Wildlife Refuge as may be finally determined by the state water court;

(c) beneficial uses of water for domestic purposes;

(d) beneficial uses of water for stock watering purposes in existence prior to December 31, 1984, and beneficial uses of water for stock watering subsequent to that date not in excess of 20 acre-feet per year for each impoundment.

4. Except as to the rights protected in paragraph 3 of this section, the Tribal Water Right shall be prior to all rights to the use of surface and ground water established under the laws of the State with a priority date later than May 1, 1888.

B. Changes of Protected Uses.

1. The rights to the use of water protected by paragraph 3 of section A of this Article may be changed in accordance with state law as to point of diversion, period of use, place of use, purpose of use, or ownership of the right provided that:

(a) the proposed change will not adversely affect any use of the Tribal Water Right existing at the time of the proposed change;

(b) the amount of surface water flowing onto the Reservation within the Poplar River, the Big Muddy Creek, or the Porcupine Creek watersheds, will not be changed; and

(c) the source of the water will not be changed from surface to ground water, or from ground to surface water, or from one watershed to another.

2. Upon receiving an application for a proposed change authorized by paragraph 1 of this section, the State shall give the Tribes such advance written notice as is required by state law.

3. If an irrigation use is changed in any manner, or if a reservoir is constructed or operated which results in the consumptive use of water by evaporation, the following limitations apply:

(a) no more than 1.8 acre-feet of consumptive use per year may be authorized for each acre of land retired from full service irrigation; and

(b) no more than 0.48 acre-feet of consumptive use per year may be authorized for each acre of land retired from partial service irrigation;

(c) evaporation from any reservoir shall be charged as a consumptive use in accordance with definition 4 in Article II.

4. If an irrigation use is changed to an industrial use, all diversions and return flows shall be measured by a device acceptable to and subject to periodic inspection and testing by the State and the Tribes at the expense of the owner. The owner shall also have the quality of the return flows sampled and tested by a laboratory acceptable to the State and the Tribes as often as reasonably required by the State and the Tribes and at the expense of the owner.

## ARTICLE V
## ADMINISTRATION OF WATER RIGHTS

A. United States Administration. All rights to the use of water received from the Fort Peck Irrigation Project shall be administered by the United States, and the United States has the final and exclusive jurisdiction to resolve all disputes concerning uses of water received from the Fort Peck Irrigation Project subject to any judicial review provided by applicable law.

B. Tribal Administration.

1. The Tribal Water Right shall be administered by the Tribes, and the Tribes have the final and exclusive jurisdiction to resolve all disputes between users of the Tribal Water Right, except for disputes concerning uses of water received from the Fort Peck Irrigation Project and disputes involving users of the Tribal Water Right pursuant to agreements authorized in Article III, section K, paragraph 4.

2. Administration and enforcement of the Tribal Water Right shall be pursuant to a water code, which shall be adopted by the Tribes and submitted for approval to the Secretary of the Interior within one year after ratification of this Compact by the Parties. Such code shall take effect 18 months after

ratification of this Compact unless sooner disapproved by the Secretary of the Interior. Pending the adoption and approval of the tribal water code, administration and enforcement of the Tribal Water Right shall be by the Secretary of the Interior as trustee for the Tribes. The Tribes shall not administer the Tribal Water Right in a manner which denies any person a water right owned by that person which arises under the laws of the United States.

3. Within six months after the tribal water code takes effect or within six months after disapproval of the code by the Secretary, the Tribes or the Secretary of the Interior shall provide the State with notice of each existing use of the Tribal Water Right which shall show:

(a) the person authorized to make the diversion;

(b) the amount of water authorized to be diverted annually;

(c) the amount of water authorized for annual consumptive use;

(d) the point of diversion;

(e) the period of use;

(f) the place of use;

(g) the uses for which the water may be diverted; and

(h) the relative priority of the use as against other uses of the Tribal Water Right.

4. The Tribes shall thereafter notify the State within sixty days after the end of each quarter year of all new uses of surface and ground water authorized by the Tribes during the preceding quarter year and of all new uses of the Tribal Water Right actually commenced during that quarter year.

C. State Administration.

1. The State shall administer all rights to the use of surface water and ground water within or outside the Reservation which are not a part of the Tribal Water Right to the fullest extent allowed by law. The State shall have the final and exclusive jurisdiction to resolve all disputes between users of rights established under state law.

2. Within two years after ratification of this Compact, the State shall notify the Tribes of all existing uses authorized by the State on the mainstem of the Missouri River below Fort Peck Dam and on all tributaries of the Missouri River that flow through or adjacent to the Reservation, except the mainstem of the Milk River. The State shall notify the Tribes within sixty days after the end of each quarter year of all new uses of surface and ground water permitted by the State on each of these sources during the preceding quarter year and of all new uses of water actually commenced pursuant to the laws of the State during that quarter year on each of these sources. Notices required by this paragraph shall include the information required by paragraph 3 of section B of this Article.

3. No agency of the State shall administer any part of the Tribal Water Right. From and after the effective date of this Compact, unless the Tribal Water Right confirmed in Article III is fully utilized at the time application is made for a permit or other authorization, the State shall issue no permit or other authorization to divert or use water within the Reservation to the following persons:

(a) the Tribes;

(b) any Indian;

(c) any non-Indian successor-in-interest to any allottee on the Reservation by virtue of that person's assertion of a right arising under the laws of the United States; or

(d) the United States for the benefit of the Tribes or any Indian or any non-Indian successor-in-interest to any allottee.

D. Regulation of Ground Water.

1. With the exception of uses protected in Article IV, neither the State nor the Tribes shall authorize or continue the use of ground water without the consent of the other if such use will:

(a) result in degradation of instream flows established pursuant to section L of Article III; or

(b) contribute to the permanent depletion or the significant degradation of the quality of a ground water source which in whole or in part underlies the Reservation.

2. With the exception of uses protected in Article IV, the State shall not, without the Tribes' consent, authorize or continue the use of ground water that unreasonably interferes with a use of ground water authorized by the Tribes. The Tribes shall not, without the consent of the State, authorize or continue the use of ground water that unreasonably interferes with a use of ground water authorized by the State and protected by Article IV of this Compact.

## ARTICLE VI
## FORT PECK-MONTANA COMPACT BOARD

A. Board established. There is hereby established the Fort Peck-Montana Compact Board, which shall exercise powers and responsibilities as set forth in this Article.

B. Membership.

1. The Board shall consist of three members. One member shall be appointed by the Governor of the State of Montana or, in lieu of such appointment, shall be the Governor. The salary and expenses of that member shall be paid by the State. One member shall be appointed by the Chairman of the Tribes, or in lieu of such appointment, shall be the Tribal Chairman. The salary and expenses of that member shall be paid by the Tribes. The third member shall be selected by agreement of the other two members. The salary and expenses of that member and all other expenses of the Board shall be shared equally by the State and the Tribes subject to the availability of funds. Each member duly appointed or selected shall hold office for a term of six years, and for so long thereafter until a successor shall be appointed or selected. The initial term of each member shall be staggered, with one member serving a six-year term, one a four-year term, and one a two-year term. The initial term of each member shall be chosen by lot, or by any other procedure and agreed upon in writing by the first three members of the Board. If the Governor or the Tribal Chairman serves on the Board, such person shall not serve on the Board beyond his or her term as Governor or Tribal Chairman.

2. Should the two appointed members fail to agree within sixty days of the effective date of this Compact or within thirty days after any vacancy occurs, on the selection of the third member, the following procedure shall be utilized:

(a) within five days each member shall nominate no more than five and no less than three persons to serve as a member of the Board;

(b) within fifteen days thereafter each member shall reject all but one of the persons nominated by the other member;

(c) the chief judge of the United States District Court for the District of Montana shall select the third member of the Board from the remaining two nominees. If the chief judge declines for any reason to select the third member, the chief justice of the Montana Supreme Court shall make the selection from the remaining two nominees.

3. Vacancies on the board shall be filled by appointment of a person to serve the unexpired term of the member whose seat has become vacant. If the member appointed by the Governor becomes unable or unwilling to serve on the Board, the Governor shall make the appointment within fifteen days. If the member appointed by the Tribal Chairman becomes unable or unwilling to serve, the Tribal Chairman shall make the appointment within fifteen days. If the third member of the Board becomes unable or unwilling to serve on the Board, the remaining members shall fill the vacancy under the procedure set forth in paragraphs 1 and 2 of this section.

C. Quorum and Vote Required. Two members of the Board shall constitute a quorum if reasonable notice has been provided in advance to the absent member. Meetings may be in person or, in appropriate circumstances, by telephone. All Board decisions shall be by a majority of the Board, shall be in writing and, together with any dissenting opinions, shall be delivered to all parties in the proceeding before the Board, and to both Parties to this Compact.

D. Jurisdiction of the Board. The Board shall have exclusive jurisdiction, only as provided in this Compact, to resolve any controversy over the use of ground water to which this Compact pertains, any controversy over the use of surface water within the Reservation or from any tributary of the Missouri River that flows through or adjacent to the Reservation, except the mainstem of the Milk River, and any controversy as to the meaning of this Compact between: (i) on the one hand, the Tribes or any person or persons claiming a right to use the Tribal Water Right; and (ii) on the other hand, the State or any person or persons claiming a right to use water under the laws of the State.

E. Powers and Duties of the Board.

1. The Board shall have power to administer oaths to witnesses, to take evidence under oath, and to issue subpoenas to compel the attendance of witnesses or for the production of books, records, documents and other evidence. The courts of the Tribes and the State shall enforce any subpoena issued by the Board in the same manner as prescribed by the laws of the Tribes and the State for enforcing a subpoena issued in a civil action by courts of the Tribes and the State.

2. The Board shall hold hearings in proceedings before it and shall give advance notice to the Tribes, the State and all parties to any proceeding personally or by registered mail not less than five days before any hearing. Appearance at a hearing waives such notice. The Board may hear and determine the controversy upon the evidence produced notwithstanding the failure of a party duly notified to appear. The Tribes, the State and all parties to the proceeding are entitled to be heard, to present evidence material to the controversy, to cross-examine witnesses appearing at the hearing, and to be represented by counsel at their own expense.

3. The Board may enter an order after hearing granting any party to the dispute before it temporary or preliminary injunctive relief, or any other relief which the Board deems appropriate except money damages. The Board or any party to a proceeding before the Board may invoke the jurisdiction of a court of competent jurisdiction to enforce any temporary or preliminary injunction so issued by the Board by filing a petition for enforcement naming the enjoined person as respondent. Upon filing the petition, the court shall enter any order it deems appropriate for enforcement of the injunction ordered by the Board, including but not limited to injunctive relief on such terms as to bond or otherwise as it deems proper for the security of the rights of the enjoined party. The United States, the State, and the Tribes shall not be required to post any bond. The court may appoint a water commissioner or master to monitor compliance with such relief.

4. The Board shall adopt rules and regulations to govern its procedures and to carry out its responsibilities under this Compact. Such rules and regulations must be consistent with all provisions of this Compact. All records of the Board shall be open to public inspection except for privileged information.

5. The Board may employ or seek assistance of such clerical or other personnel and may establish such offices as it deems necessary for the performance of its functions according to this Compact. Pending the establishment of a principal office, the Board's office shall be located at Fort Peck Agency of the Bureau of Indian Affairs.

6. The annual budget of the Board shall be subject to approval of the Parties to this Compact and to the availability of funds appropriated by the Parties.

F. Review and Enforcement of Board Decisions.

1. Decisions by the Board shall be effective immediately, unless stayed for a period of time prescribed by the Board. On application of a party within a reasonable time, but in any event no more than ninety days after a decision is rendered, the Board may modify or correct any decision:

(a) where there was an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the decision;

(b) where the decision is imperfect in a matter of form not affecting the merits of the controversy; or

(c) where the decision requires clarification.

2. Any party before the Board may, within ten days of any final decision, apply to the Board to modify or set aside any aspect of the decision. Notice of such application shall be served personally or by registered mail upon all parties to the proceeding. Any other party shall have ten days within which to respond to the application. The Board shall act on such application within ten days after a response is filed or, if no response is filed, within fifteen days after the application is filed. If the Board fails to act within the time limitations set forth in this paragraph, the application shall be deemed denied. The time for appeal provided in paragraph 3 of this section shall not begin to run until the application is determined as provided in this paragraph.

3. Any party before the Board may appeal any final decision by the Board to a court of competent jurisdiction within thirty days of such decision. The notice of appeal shall be filed with the Board and served personally or by registered mail upon the Tribes, the State and all parties to the proceeding

before the Board, and all such persons shall thereafter have the right to participate in the appeal.

4. In any appeal, the Board's decision shall be presumed to be valid, and may be vacated by the court only on one of the following grounds:

(a) the decision is not supported by substantial evidence;

(b) the decision was procured by corruption, fraud or undue means;

(c) there was evident partiality or corruption by the Board or by any member;

(d) the Board was guilty of misconduct in refusing to hear the dispute, or in refusing to hear evidence pertinent and material to the controversy, or any other clear misbehavior by which the rights of any party have been substantially prejudiced;

(e) the Board exceeded its authority under the terms of this Compact; or

(f) the decision is contrary to law.

5. Unless an appeal is timely filed as provided in paragraph 3 of this section, any decision of the Board shall be confirmed or enforced by any court of competent jurisdiction on petition of the Board, the Tribes, the State or any party before the Board in the proceeding in which the decision was made.

6. A court of competent jurisdiction in which a timely appeal is filed pursuant to paragraph 3 of this section, or in which a petition to confirm or enforce is filed pursuant to paragraph 5 of this section, may order such temporary or permanent relief as it considers just and proper.

7. An appeal may be taken from any decision of the court in which a timely appeal is filed pursuant to paragraph 3 of this section, or in which a petition to confirm or enforce is filed pursuant to paragraph 5 of this section, in the manner and to the same extent as from orders or judgments of the court in a civil action.

8. In any appeal or petition to confirm or enforce the Board's decision, the Board shall file with the court the record of the proceedings before the Board.

G. Waiver of Immunity. The Tribes and the State hereby waive their respective immunities from suit, including any defense the State shall have under the Eleventh Amendment of the Constitution of the United States, to permit the appeal or judicial enforcement of Board decisions as provided in this Compact, except that such waivers shall not extend to any action for money damages including costs and attorneys' fees as a result of such judicial action.

## ARTICLE VII
## FINALITY AND EFFECTIVENESS OF COMPACT

A. Ratification. This Compact shall become effective as to both parties when ratified by the Legislature of the State of Montana and the Fort Peck Tribal Executive Board and approved by the United States Departments of Justice and the Interior. Ratification by the State and by the Tribes is irrevocable, and this Compact may not be modified in any manner whatsoever except with the joint consent of the legislative body of both Parties.

B. Incorporation into Decrees and Disposition of Federal Suits.

1. The Parties and the United States shall petition for incorporation of this Compact into the preliminary decrees and final decrees in any state water court proceedings to adjudicate any right to the use of water to which this Compact pertains, and this Compact may not be modified in any manner

whatsoever without the consent of both Parties as provided in section A of this Article. The United States shall not be bound by provisions of this Compact until it is incorporated into the final decree, as provided in this section.

2. This Compact shall only be filed as a proposed consent decree in United States v. Aageson, Civ. No. 79-21-GF (D. Mont.), or United States v. Aasheim, Civ. No. 79-40-BLG (D. Mont.) if there is a final determination by the state courts that they lack jurisdiction over, or that the state proceedings are inadequate to adjudicate, some or all of the water rights asserted in either of the above cases. Upon a final determination that the state courts have jurisdiction over, and that the state proceedings are adequate to adjudicate all of the water rights in the above cases, the United States and the Parties will immediately execute a joint motion pursuant to Rule 41(a) of the Federal Rules of Civil Procedure to dismiss with prejudice and on their merits all claims by the Tribes and the United States on behalf of the Tribes in the pending cases.

## ARTICLE VIII
## DISCLAIMERS AND RESERVATION OF RIGHTS

A. Disclaimers. Nothing in this Compact shall be so construed or interpreted:

1. to establish the nature, extent, transferability, or manner of enforcement of water rights of any Indian reservation other than the Fort Peck Indian Reservation;

2. to preclude the acquisition or exercise of an appropriative right to the use of water under state law by the Tribes or any individual Indian outside the Reservation by purchase of such right or by purchase of land, or by application to the State;

3. to preclude the acquisition or exercise of an appropriative right to the use of water under state law by the Tribes or any individual Indian within the Reservation:

(a) by purchase of such right or by purchase of land, provided that water rights acquired by such purchase after ratification of this Compact shall be deemed to be an exercise of the Tribal Water Right; or

(b) by application to the State, provided that the Tribal Water Right confirmed in Article III has been fully utilized at the time an application is made;

4. to determine the relative rights inter sese of persons using water under the authority of the State or the Tribes;

5. to limit in any way the rights of the Parties or any other person to litigate any issues or questions not resolved by this Compact;

6. to authorize the taking of a water right which is vested under state or federal law;

7. to create or deny substantive rights through headings or captions used in this Compact; or

8. to address or prejudge whether, in any interstate apportionment of the waters of the Missouri River Basin, the Tribal Water Right shall be counted as a part of the waters apportioned to the State.

B. Reservation of Rights. The Parties expressly reserve all rights not granted, recognized or relinquished in this Compact.

## ARTICLE IX
## TRIBAL RELINQUISHMENT OF OTHER WATER CLAIMS

The Tribal Water Right confirmed in Article III shall be final and conclusive. With the exception of the Tribal Water Right recognized herein and rights established under state law as authorized by this Compact, the Tribes and the United States as trustee for the Tribes hereby relinquish forever any and all existing and future claims to water from any source and for any purpose. This relinquishment includes, but is not limited to, any claim for water derived from: aboriginal use of land or water; any Indian treaties; any act of Congress; and any executive act of the United States.

## ARTICLE X
## BINDING EFFECT

A. Persons Bound. Upon the effectiveness of this Compact, its terms will be binding:

1. upon the State and any person or entity of any nature whatsoever using, claiming or in any manner asserting any right under the authority of the State to the use of water in the State of Montana, provided that for purposes of consent, ratification, or authorization the validity of consent, ratification, or authorization is to be determined by Montana law; and

2. upon the Tribes and any person or entity of any nature whatsoever using, claiming or in any manner asserting any right to the use of the Tribal Water Right, or any right arising under any doctrine of reserved or aboriginal water rights for the Tribes, or any right arising under tribal law, provided that for purposes of consent, ratification, or authorization the validity of consent, ratification or authorization is to be determined by Tribal law. Notwithstanding any other provision of law, the Tribal Water Right confirmed in Article III of the Fort Peck-Montana Compact includes conclusively and forever the water rights arising under the laws of the United States of all persons on the Fort Peck Reservation by virtue of the ownership or purchase of any Indian allotment, and the courts of the State shall not have jurisdiction to adjudicate or decree any such right claimed by any such person.

B. Effect on Other Laws. The provisions of the Fort Peck-Montana Compact shall supersede any present or future enactment or common law rule inconsistent with such Compact including but not limited to Montana Code Annotated 28-2-708.

## ARTICLE XI
## SEVERABILITY

Should any part of this Compact other than Articles III, IV, VII, or IX be held to be invalid, all other parts thereof shall continue to be in full force and effect. Should any part of Articles III, IV, VII, or IX be held invalid, either party may withdraw from the remaining provisions of this Compact by action of its legislative body taken within one year from the determination of such invalidity.

## ARTICLE XII
## LEGISLATION

A. Future legislation. The parties agree to seek enactment of further legislation if it becomes necessary to effectuate the provisions and purposes of this

Compact, and to protect such provisions and purposes from challenge and attack, provided that no provisions of the Compact shall be modified as to substance except as provided in Article VII.

B. Petition to Congress.

1. The Parties hereby request the Montana legislature to petition Congress to enact the following legislation in substantially the following form:

"Sec. 2. For purposes of this Act, the term:

(a) "Fort Peck-Montana Compact" means that Compact pertaining to the reserved water rights of the Assiniboine and Sioux Tribes of the Fort Peck Reservation ratified by the legislature of the State of Montana on May 15, 1985 and by the Tribes on April 29, 1985.

(b) "Reservation" means the Fort Peck Indian Reservation as defined in the agreement of December 28 and December 31, 1886, and confirmed by the Act of May 1, 1888, 25 Stat. 113.

(c) "Secretary" means the Secretary of the Interior.

(d) "Tribes" means the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation.

"Sec. 3.

"(a) The Tribes, subject to the approval of the Secretary, may enter into any joint venture, service contract, lease, exchange or other agreement, or any amendment, supplement or other modification of such agreement (hereinafter referred to as a "Water Agreement") authorizing the delivery, use or transfer of any part of the water right confirmed in the Tribes by the Fort Peck-Montana Compact for a specified term, not to exceed fifty years, inclusive of all renewal periods. A Water Agreement may authorize the diversion or use of water within or outside the Reservation subject to all terms of the Fort Peck-Montana Compact.

"(b) The Secretary shall approve or disapprove any Water Agreement within (1) one hundred and eighty days after submission or (2) sixty days after compliance, if required, with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) and any other requirement of federal law, whichever is later. Any party to such an agreement may enforce the provisions of this subsection pursuant to 28 U.S.C. 1361. Notwithstanding any other law, all projections, studies, data or other information possessed by the Department of the Interior regarding the terms and conditions of the Water Agreement or the financial return to the Tribes, shall be held by the Department of the Interior as privileged proprietary information of the Tribes."

2. The provisions of this Compact shall have no force and effect until the resolution set forth in paragraph 1 of this section is approved by the Montana Legislature and submitted to Congress.

IN WITNESS WHEREOF the representatives of the State of Montana and the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation have signed this Compact in five original counterparts on the 10th day of April, 1985.

For the Assiniboine and Sioux
Tribes of the Fort Peck Indian Reservation

.......................................................

Walter Clark

Norman Hollow

Caleb Shields

For the State of Montana
Montana Reserved Water Rights Compact Commission

W. Gordon McOmber, Chairman

Jack E. Galt, Vice Chairman

William M. Day

Everett C. Elliott

Daniel O. Kemmis

A.B. Linford

Joseph P. Mazurek

Audrey G. Roth

Chris D. Tweeten

APPROVED:

For the Secretary of the Interior

For the Attorney General of the United States

**History:** **En. Sec. 1, Ch. 735, L. 1985.**

# TITLE 86

RESERVED

# TITLE 87

## FISH AND WILDLIFE

Ch.
1. Organization and Operation.
2. Fishing, Hunting, and Trapping Licenses.
3. Restrictions and Regulations.
4. Commercial Activities.
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## CHAPTER 1

## ORGANIZATION AND OPERATION

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## Part 1

## General Provisions

**87-1-101. Definitions.** Unless the context requires otherwise, in this title the following definitions apply:

(1) "Commission" means the fish and game commission provided for in 2-15-3402.

(2) "Department" means the department of fish, wildlife, and parks provided for in Title 2, chapter 15, part 34.

(3) "Director" means the director of fish, wildlife, and parks provided for in 2-15-3401.

(4) "Warden" means a state fish and game warden.

**History: En. 26-101.1 by Sec. 1, Ch. 511, L. 1973; amd. Sec. 3, Ch. 417, L. 1977; R.C.M. 1947, 26-101.1; amd. Sec. 2, Ch. 218, L. 1979.**

**87-1-102. Penalties.** (1) A person violating any provision of this title, any other state law pertaining to fish and game, or the orders or rules of the commission or department is, unless a different punishment is expressly provided by law for the violation, guilty of a misdemeanor and shall be fined not less than $50 or more than $500, imprisoned in the county jail for not more than 6 months, or both. In addition, the person shall be subject to forfeiture of his license and privilege to hunt, fish, or trap within this state for a period of not less than 24 months from the date of conviction.

(2) (a) A person convicted of unlawfully taking, killing, possessing, transporting, or wasting of a bighorn sheep, moose, wild bison, caribou, mountain goat, or grizzly bear or any part of these animals shall be fined not less than $500 or more than $1,000, imprisoned in the county jail for not more than 6 months, or both. In addition, that person shall forfeit any current hunting, fishing, or trapping license issued by this state and the privilege to hunt, fish, or trap in this state for not less than 30 months from the date of conviction.

(b) A person convicted of unlawfully taking, killing, possessing, or transporting a deer, antelope, elk, mountain lion, or black bear or any part of these animals or wasting a deer, antelope, or elk shall be fined not less than $300 or more than $1,000, imprisoned in the county jail for not more than 6 months, or both. In addition, that person shall forfeit any current hunting, fishing, or trapping license issued by this state and the privilege to hunt, fish, or trap in this state for not less than 24 months from the date of conviction.

(c) A person convicted of unlawfully attempting to trap, take, shoot, or kill a game animal shall be fined not less than $200 or more than $600, imprisoned in the county jail for not more than 60 days, or both.

(d) A person convicted of unlawfully taking, killing, possessing, transporting, shipping, labeling, packaging, or wasting or unlawfully attempting to take, kill, or possess any game bird, wild turkey, or fish or any part of any such bird or fish or of failure to tag a game animal or game bird as prescribed by law shall be fined not less than $50 or more than $200 or imprisoned in the county jail for not more than 30 days, or both.

(e) A person convicted of purposely or knowingly taking, killing, possessing, transporting, shipping, labeling, or packaging a fur-bearing animal or pelt of a fur-bearing animal in violation of any provision of this title shall be fined not less than $50 or more than $1,000 or imprisoned in the county jail for not more than 6 months, or both. In addition, that person shall forfeit any current license and the privilege to hunt, fish, or trap for not less than 24 months from the date of conviction and any pelts possessed unlawfully must be confiscated.

(f) A person convicted of hunting, fishing, or trapping while his license is forfeited or his privilege denied shall be imprisoned in the county jail for not less than 5 days or more than 6 months. In addition, that person may be fined not less than $500 or more than $1,000.

(3) A person convicted or who has forfeited bond or bail under subsection (2) and who has been ordered to pay restitution under the provisions of 87-1-111 may not apply for any special license under Title 87, chapter 2, part 7, or enter any drawing for a special license or permit for a period of 5 years following the date of conviction or restoration of license privileges, whichever is later.

(4) Notwithstanding the provision of subsection (1), the penalties provided by this section shall be in addition to any penalties provided in Title 37, chapter 47, and Title 87, chapter 4, part 2.

**History: En. Sec. 23, Ch. 238, L. 1921; re-en. Sec. 3706, R.C.M. 1921; amd. Sec. 23, Ch. 192, L. 1925; re-en. Sec. 3706, R.C.M. 1935; amd. Sec. 9, Ch. 224, L. 1947; amd. Sec. 1, Ch. 159, L. 1955; amd. Sec. 29, Ch. 511, L. 1973; amd. Sec. 34, Ch. 9, L. 1977; amd. Secs. 13, 14, Ch. 417, L. 1977; amd. Sec. 1, Ch. 465, L. 1977; R.C.M. 1947, 26-324; amd. Sec. 1, Ch. 334, L. 1987; amd. Sec. 1, Ch. 132, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (3) prohibiting application for special licenses after certain convictions.

**Cross-References**

Definition of "enter or remain unlawfully", 45-6-201.

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Shooting from or across highway, 61-8-369.

Littering unlawful, 75-10-212, 75-10-233, 87-2-112.

Punishment for violation of importation permit and health certificate requirements, 81-2-708.

Restitution for illegal killing or possession of certain wildlife, 87-1-111.

**87-1-103. Fines, bonds, and penalties.** All fines, bonds, and penalties mentioned in this title may be collected by civil action in the name of the state in any court of competent jurisdiction. All fines, bonds, and costs shall be collected without stay of execution.

**History: En. Sec. 74, Ch. 173, L. 1917; re-en. Sec. 3753, R.C.M. 1921; amd. Sec. 25, Ch. 77, L. 1923; re-en. Sec. 3753, R.C.M. 1935; amd. Sec. 41, Ch. 511, L. 1973; R.C.M. 1947, 26-1001.**

**87-1-104. Payment of cost bill to county.** In a prosecution for the violation of fish and game laws where costs are incurred, a cost bill shall be prepared. The cost bill shall include the cost of board of prisoners and shall be presented to the department of administration. If the costs are allowed, the state treasurer shall pay them out of the fish and game moneys in the state special revenue fund to the treasurer of the county where the costs were incurred.

**History:** En. Sec. 75, Ch. 173, L. 1917; re-en. Sec. 3754, R.C.M. 1921; re-en. Sec. 3754, R.C.M. 1935; amd. Sec. 42, Ch. 511, L. 1973; R.C.M. 1947, 26-1002; amd. Sec. 1, Ch. 277, L. 1983.

**Cross-References**

Payment of prosecution cost bills, 87-1-601.

**87-1-105. Duty of attorney general and county attorneys.** The attorney general of the state is the legal adviser of the department and shall, together with the several county attorneys, enforce the provisions of this title.

**History:** En. Sec. 26, Ch. 193, L. 1921; re-en. Sec. 3675, R.C.M. 1921; re-en. Sec. 3675, R.C.M. 1935; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-126; amd. Sec. 1, Ch. 44, L. 1979.

**87-1-106. Fish and game offices.** The principal offices of the commission and department shall be located in or near Helena, and suitable and adequate space therefor together with janitor services, light, heat, and water shall be furnished by the state of Montana.

**History:** En. Sec. 3, Ch. 193, L. 1921; re-en. Sec. 3652, R.C.M. 1921; amd. Sec. 1, Ch. 77, L. 1923; amd. Sec. 1, Ch. 192, L. 1925; re-en. Sec. 3652, R.C.M. 1935; amd. Sec. 1, Ch. 114, L. 1945; amd. Sec. 1, Ch. 52, L. 1957; amd. Sec. 1, Ch. 119, L. 1959; amd. Sec. 23, Ch. 271, L. 1963; amd. Sec. 2, Ch. 511, L. 1973; R.C.M. 1947, 26-103(part); amd. Sec. 1, Ch. 340, L. 1985.

**87-1-107 through 87-1-110 reserved.**

**87-1-111.** *(Temporary)* **Restitution for illegal killing or possession of certain wildlife.** (1) In addition to other penalties provided by law, a person convicted or forfeiting bond or bail upon a charge of the illegal killing or possession of a wild bird, mammal, or fish listed in this section shall reimburse the state for each such bird, mammal, or fish according to the following schedule:

(a) bighorn sheep, mountain goat, caribou, buffalo, grizzly bear, moose, and endangered species, $1,000;

(b) elk, mountain lion, black bear, lynx, and wolverine, $500;

(c) deer, antelope, fisher, raptor, swan, bobcat, pallid and white sturgeon, and paddlefish, $300;

(d) grayling and furbearers not listed in subsection (1)(a), (1)(b), or (1)(c), $100;

(e) game bird (except swan), $25;

(f) game fish, $10.

(2) When a court enters an order declaring bond or bail to be forfeited, the court may also order that some or all of the forfeited bond or bail be paid as restitution to the state according to the schedule in subsection (1). A hearing to determine the amount of restitution, as required under 46-9-504, is not required for an order of restitution under this section. (Terminates June 30, 1993—sec. 5, Ch. 409, L. 1989.)

**87-1-111.** *(Effective July 1, 1993)* **Restitution for illegal killing or possession of certain wildlife.** (1) In addition to other penalties provided by law, a person convicted or forfeiting bond or bail upon a charge of the illegal killing or possession of a wild bird, mammal, or fish listed in this section shall reimburse the state for each such bird, mammal, or fish according to the following schedule:

(a) bighorn sheep, mountain goat, caribou, buffalo, grizzly bear, moose, and endangered species, $1,000;

(b) elk, mountain lion, black bear, lynx, and wolverine, $500;

(c) deer, antelope, fisher, raptor, swan, bobcat, and pallid and white sturgeon, $300;

(d) paddlefish, grayling, and furbearers not listed in subsection (1)(a), (1)(b), or (1)(c), $100;

(e) game bird (except swan), $25;

(f) game fish, $10.

(2) When a court enters an order declaring bond or bail to be forfeited, the court may also order that some or all of the forfeited bond or bail be paid as restitution to the state according to the schedule in subsection (1). A hearing to determine the amount of restitution, as required under 46-9-504, is not required for an order of restitution under this section.

**History: En. Sec. 1, Ch. 523, L. 1987; amd. Sec. 2, Ch. 142, L. 1989; amd. Sec. 3, Ch. 409, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 142 near beginning of (1), after "convicted", inserted "or forfeiting bond or bail upon a charge"; inserted (2) allowing forfeited bond or bail to be paid as restitution; corrected internal references; and made minor changes in form. Amendment effective March 18, 1989.

Chapter 409 in (1)(c) inserted reference to paddlefish; and in (1)(d) deleted reference to paddlefish. Amendment effective July 1, 1989, and terminates June 30, 1993.

**87-1-112. Finding required.** Before restitution may be ordered pursuant to 87-1-111, the finder of fact at trial or the court upon entry of a guilty plea must find that such illegal killing or possession was done knowingly or purposely as defined in 45-2-101. This finding is not required for state reimbursement under 87-1-111 when bond or bail is forfeited.

**History: En. Sec. 2, Ch. 523, L. 1987; amd. Sec. 3, Ch. 142, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted second sentence that read: "This finding is not required for state reimbursement under 87-1-111 when bond or bail is forfeited." Amendment effective March 18, 1989.

**87-1-113. Payment — penalty for nonpayment.** (1) In each case of conviction, the court before which the conviction is obtained shall order payment of the sum stated in 87-1-111.

(2) Failure to make payment in the time and manner prescribed by the court constitutes civil contempt of court and is punishable as provided in Title 3, chapter 1, part 5.

**History: En. Sec. 3, Ch. 523, L. 1987.**

**87-1-114. Disposition of proceeds.** All money collected by a court pursuant to 87-1-111 through 87-1-113 must be remitted to the state treasurer for deposit in the state special revenue fund as provided in 87-1-601(1). If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail money must be disposed of as provided in 87-1-601(4).

**History: En. Sec. 4, Ch. 523, L. 1987; amd. Sec. 4, Ch. 142, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted second sentence that read: "If restitution is ordered out of a forfeited bond or bail, any balance of bond or bail money must be disposed of as provided in 87-1-601(4)." Amendment effective March 18, 1989.

## Part 2

## Department of Fish, Wildlife, and Parks

**Part Cross-References**

Establishment of Department and appointment of Director, 2-15-3401.

Cooperative agreements with district weed boards, 7-22-2151.

**87-1-201. Powers and duties.** (1) The department shall supervise all the wildlife, fish, game, game and nongame birds, waterfowl, and the game and fur-bearing animals of the state. It possesses all powers necessary to fulfill the duties prescribed by law and to bring actions in the proper courts of this state for the enforcement of the fish and game laws and the rules adopted by the department.

(2) It shall enforce all the laws of the state respecting the protection, preservation, and propagation of fish, game, fur-bearing animals, and game and nongame birds within the state.

(3) It shall have the exclusive power to spend for the protection, preservation, and propagation of fish, game, fur-bearing animals, and game and nongame birds all state funds collected or acquired for that purpose, whether arising from state appropriation, licenses, fines, gifts, or otherwise. Money collected or received from the sale of hunting and fishing licenses or permits, from the sale of seized game or hides, from fines or damages collected for violations of the fish and game laws, or from appropriations or received by the department from any other sources are appropriated to and under control of the department.

(4) It may discharge any appointee or employee of the department for cause at any time.

(5) It may dispose of all property owned by the state used for the protection, preservation, and propagation of fish, game, fur-bearing animals, and game and nongame birds which is of no further value or use to the state and shall turn over the proceeds from the sale to the state treasurer to be credited to the fish and game account in the state special revenue fund.

(6) It may not issue permits to carry firearms within this state to anyone except regularly appointed officers or wardens.

(7) The department is hereby authorized to make, promulgate, and enforce such reasonable rules and regulations not inconsistent with the provisions of chapter 2 as in its judgment will accomplish the purpose of chapter 2.

(8) The department is authorized to promulgate rules relative to tagging, possession, or transportation of bear within or without the state.

**History: Ap. p. Sec. 4, Ch. 193, L. 1921; re-en. Sec. 3653, R.C.M. 1921; amd. Sec. 2, Ch. 77, L. 1923; amd. Sec. 2, Ch. 192, L. 1925; amd. Sec. 1, Ch. 200, L. 1935; re-en. Sec. 3653, R.C.M. 1935; amd. Sec. 1, Ch. 157, L. 1941; amd. Sec. 1, Ch. 40, L. 1951; amd. Sec. 1, Ch. 157, L. 1955; amd. Sec. 1, Ch. 151, L. 1957; amd. Sec. 1, Ch. 36, L. 1959; amd. Sec. 1, Ch. 96, L. 1959; amd.**

**Sec. 1, Ch. 173, L. 1965; amd. Sec. 1, Ch. 344, L. 1969; amd. Sec. 1, Ch. 279, L. 1971; amd. Sec. 1, Ch. 364, L. 1973; amd. Sec. 3, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-104, R.C.M. 1947; Ap. p. Sec. 4, Ch. 267, L. 1955; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-202.4, R.C.M. 1947; Ap. p. Sec. 1, Ch. 239, L. 1965; amd. Sec. 2, Ch. 319, L. 1967; amd. Sec. 4, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-202.5, R.C.M. 1947; R.C.M. 1947, 26-104, 26-202.4, 26-202.5(2); amd. Sec. 2, Ch. 44, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Seasonal rules adopted annually, 2-4-102.

Adoption and publication of Rules, Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Local government denied powers affecting Title 87, 7-1-111.

Permit for carrying weapons, 45-8-319, 87-5-401.

Suspension, demotion, or removal of employees, 87-1-403.

Enforcement of fish and wildlife laws, generally, 87-1-404.

Enforcement of Department orders and rules, 87-1-404, 87-1-502, 87-1-506.

Seizure of game or hides, 87-1-506.

Commission authorized to regulate grizzly bear, 87-5-302.

Enforcement powers of Department, 87-5-509.

Money from fines, 19-8-504, 87-1-601, 87-4-808.

Money from seized game or hides, 87-1-513, 87-1-601.

Disposition of fees for licenses and permits, 87-1-601, 87-1-605, 87-1-701, 87-1-708, 87-1-710, 87-2-204, 87-4-602.

Disposition of sale proceeds from confiscated birds and animals, 87-1-601, 87-4-808.

Fish and wildlife appropriations, 87-1-601.

Sources of funds, 87-1-601, 87-1-605, 87-1-701, 87-1-708, 87-1-710.

Use of proceeds from auction of mountain sheep license, 87-2-722.

Departmental regulation of special wild buffalo licenses — use of fees, 87-2-723.

Department jurisdiction over game farms, 87-4-408.

**87-1-202. Posting and publication of orders, rules, and regulations.** The orders, rules, and regulations of the department shall be published and posted in the following manner:

(1) Those having general application throughout the state shall be published in such manner and to such an extent as the department deems necessary and may direct.

(2) Those of general or special character having local application only shall be published once in some newspaper having general circulation in the locality or district wherein such rules, regulations, or orders are applicable and shall be posted in three conspicuous places in the locality or district in which they are applicable.

**History: En. Sec. 28, Ch. 193, L. 1921; re-en. Sec. 3677, R.C.M. 1921; amd. Sec. 11, Ch. 192, L. 1925; re-en. Sec. 3677, R.C.M. 1935; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-128.**

**Cross-References**

Seasonal rules adopted annually, 2-4-102.

Publication of orders and rules, 23-2-504.

Privilege of entry unless posted, 45-6-201.

Publication of boundaries of fish and game districts, preserves, refuges, sanctuaries, or rest grounds, 87-5-402.

**87-1-203. Effect of orders, rules, and regulations.** All orders and rules and regulations for the enforcement of the powers granted to the department shall take effect and be in force after publication and posting as prescribed in this chapter and when so published or posted shall constitute legal notice.

**History: En. Sec. 29, Ch. 193, L. 1921; re-en. Sec. 3678, R.C.M. 1921; re-en. Sec. 3678, R.C.M. 1935; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-129.**

**87-1-204. Political activity of employees.** While retaining the right to vote as he may please and to express his opinions on all political questions, no employee of the department may use his official authority or influence for the purpose of interfering with an election or affecting the results thereof or for the purpose of coercing or influencing the political actions of any person or body.

**History: En. Sec. 9, Ch. 193, L. 1921; re-en. Sec. 3658, R.C.M. 1921; re-en. Sec. 3658, R.C.M. 1935; amd. Sec. 1, Ch. 21, L. 1955; amd. Sec. 4, Ch. 188, L. 1975; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-109.**

**87-1-205. Grievance procedure.** An employee of the department, aggrieved by a serious matter of his employment based upon work conditions, supervision, or the result of an administrative action, who has exhausted all administrative remedies within the department, is entitled to a hearing before the board of personnel appeals provided for in 2-15-1705 and subject to the provisions of 2-18-1011 through 2-18-1013. Any order of the board is binding upon the department.

**History: En. 26-109.1 by Sec. 18, Ch. 417, L. 1977; R.C.M. 1947, 26-109.1; amd. Sec. 3, Ch. 44, L. 1979.**

**Cross-References**

Final administrative action for purposes of filing a grievance, 87-1-403.

**87-1-206. Bounty claims for wild animals.** (1) The department of fish, wildlife, and parks shall pay bounty claims for wild animals which have been filed with and approved by the board of livestock. The department shall pay out of the state fish and game funds, other than those funds derived from license fees paid by hunters and fishermen, bounties on predatory wild animals as the bounty claims are presented, not exceeding $7,500 per calendar year.

(2) The board of livestock shall, after approving the bounty claim, deliver the claim to the department of fish, wildlife, and parks for rejection or approval. If the claim or certificate is rejected, it shall be returned by the department to the board of livestock. If approved, it shall be delivered to the department of administration for allowance or disallowance. Nothing in this section takes from the department of fish, wildlife, and parks the exclusive power to administer the fish and game moneys at its discretion.

(3) If the department of administration allows the claim, it must send it to the auditor. The auditor must draw his warrant on the state fish and game moneys in the state special revenue fund for the amount approved in favor of the claimant, in the order in which the claim is approved.

**History: En. Sec. 2, Ch. 174, L. 1939; amd. Sec. 23, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-210; amd. Sec. 2, Ch. 218, L. 1979; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Claims procedure, Title 81, ch. 7, part 1.

**87-1-207. Establishment of checking stations.** The department is authorized to establish checking stations where deemed necessary to inspect licenses of hunters and fishermen and to inspect any game animals, fish, or fur-bearing animals in the possession of hunters and fishermen.

**History: En. Sec. 1, Ch. 270, L. 1973; R.C.M. 1947, 26-137.**

**Cross-References**

Duty of Wardens, 87-1-502, 87-2-109.

**87-1-208. Inspection at checking station.** Every person, upon the request of the director or his authorized representative or of any game warden, shall produce for inspection any current fish and game license which has been issued to such person and shall produce for inspection any game animals, birds, fish, or fur-bearing animals in his possession. Hunters or fishermen entering or leaving areas for which checking stations have been established must stop and report if a checking station is on the hunter's or fishermen's route of travel to or from the hunting or fishing area. Failure to stop and report at a checking station when personnel are on duty shall constitute a misdemeanor.

**History:** **En. Sec. 2, Ch. 270, L. 1973; R.C.M. 1947, 26-138.**

**Cross-References**

Carrying and exhibiting license, 87-2-109.

**87-1-209. Acquisition and sale of lands or waters.** (1) The department, with the consent of the commission and, in the case of land acquisition involving more than 100 acres or $100,000 in value, the approval of the board of land commissioners, may acquire by purchase, lease, agreement, gift, or devise and may acquire easements upon lands or waters for the purposes listed in this subsection. The department may develop, operate, and maintain acquired lands or waters:

(a) for fish hatcheries, nursery ponds, or game farms;

(b) as lands or water suitable for game, bird, fish, or fur-bearing animal restoration, propagation, or protection;

(c) for public hunting, fishing, or trapping areas;

(d) to capture, propagate, transport, buy, sell, or exchange any game, birds, fish, fish eggs, or fur-bearing animals needed for propagation or stocking purposes or to exercise control measures of undesirable species;

(e) for state parks and outdoor recreation;

(f) to extend and consolidate by exchange, lands or waters suitable for these purposes.

(2) The department, with the consent of the commission, may acquire by condemnation lands or structures for the preservation of historical or archaeological sites that are threatened with destruction or alteration.

(3) (a) The department, with the consent of the commission, may dispose of lands and waters acquired by it on those terms after public notice as required by subsection (3)(b), without regard to other laws which provide for sale or disposal of state lands and with or without reservation, as it considers necessary and advisable.

(b) Notice of sale describing the lands or waters to be disposed of shall be published once a week for 3 successive weeks in a newspaper with general circulation printed and published in the county where the lands or waters are situated or, if no newspaper is published in that county, then in any newspaper with general circulation in that county.

(c) The notice shall advertise for cash bids to be presented to the director within 60 days from the date of the first publication. Each bid must be accompanied by a cashier's check or cash deposit in an amount equal to 10% of the amount bid. The highest bid shall be accepted upon payment of the balance due within 10 days after mailing notice by registered or certified mail to the highest bidder. If that bidder defaults on payment of the balance due, then the next highest bidders shall be similarly notified in succession until a sale is completed. Deposits shall be returned to the unsuccessful bidders except bidders defaulting after notification.

(d) The department shall reserve the right to reject any bids which do not equal or exceed the full market value of the lands and waters as determined by the department. If the department does not receive a bid that equals or exceeds fair market value, it may then sell the lands or waters at private sale. The price accepted on any private sale must exceed the highest bid rejected in the bid process. The department shall convey the lands and waters without covenants of warranty by deed executed by the governor or in his absence or disability by the lieutenant governor, attested by the secretary of state and further countersigned by the director.

(4) The department, with the consent of the commission, is authorized to utilize the installment contract method to facilitate the acquisition of wildlife management areas in which game and nongame fur-bearing animals and game and nongame birds may breed and replenish and areas which provide access to fishing sites for the public. In no case may the total cost of such installment contracts exceed the cost of purchases authorized by the department and appropriated by the legislature.

**History: En. 26-104.6 by Sec. 7, Ch. 511, L. 1973; amd. Sec. 1, Ch. 157, L. 1975; amd. Sec. 4, Ch. 417, L. 1977; R.C.M. 1947, 26-104.6; amd. Sec. 2, Ch. 379, L. 1979; amd. Sec. 2, Ch. 230, L. 1981; amd. Sec. 2, Ch. 418, L. 1981; amd. Sec. 50, Ch. 519, L. 1983; amd. Sec. 2, Ch. 340, L. 1985; amd. Sec. 151, Ch. 370, L. 1987.**

**Cross-References**

Acquisition of recreational areas, Art. IX, sec. 4, Mont, Const.; 23-1-102, 23-2-103.

Leases for lands or waters, 23-1-102.

Creating state campground subject to local subdivision review, Title 76, ch. 3.

Youth Conservation Corps work projects, 76-21-201.

State lands sales, Title 77, ch. 1, parts 1, 2.

Acquisition of hunting rights on land adjoining federal wildlife preserve, 87-1-227.

Funding for wildlife habitat, 87-1-242.

Commission approval of acquisitions, exchanges, or sales, 87-1-301.

Acquisition or exchange of lands, 87-1-301, 87-1-701, 87-1-703, 87-1-709, 87-1-711.

Acquisition or exchange of waters, 87-1-301, 87-1-713, 87-1-714.

Uses to be itemized in lease and easement agreements, 87-1-303.

Acquisition of fishing access sites, 87-1-605.

Fish obtained for propagation, 87-4-601.

**87-1-210. Research, training, and other projects.** (1) The department may enter into cooperative agreements with educational institutions and state, federal, or other agencies to promote wildlife research and to train men for wildlife management. It may enter into cooperative agreements with federal agencies, municipalities, corporations, organized groups of landowners, associations, and individuals for the development of game, bird, fish, or fur-bearing animal management and demonstration projects.

(2) It may establish and maintain an educational and biological program for the collection and diffusion of statistics and information germane to the purpose of this title.

**History: En. 26-104.7 by Sec. 8, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-104.7.**

**Cross-References**

Cooperative agreements, 23-1-107, 87-1-303, 87-5-108.

State scientific and recreational park, Title 23, ch. 1, part 2; 87-5-404.

**87-1-211. Repealed.** Sec. 3, Ch. 340, L. 1985, and Sec. 2, Ch. 648, L. 1985.

**History: En. Sec. 19, Ch. 193, L. 1921; re-en. Sec. 3668, R.C.M. 1921; re-en. Sec. 3668, R.C.M. 1935; amd. Sec. 1, Ch. 186, L. 1969; amd. Sec. 7, Ch. 417, L. 1977; R.C.M. 1947, 26-119.**

**87-1-212 through 87-1-220 reserved.**

**87-1-221. Acquisition, importation, and propagation of fish and game — waterfowl food.** The department may:

(1) acquire by gift, purchase, capture, or otherwise any fish, game, game birds, or animals for propagation, experimental, or scientific purposes;

(2) provide for the importation of game birds and game and fur-bearing animals and for the protection, propagation, and distribution of imported or native birds and animals;

(3) use fish and game funds necessary for the construction, maintenance, operation, upkeep, and repair of fish hatcheries, game farms, or other property or means and appliances for the protection and propagation of fish, game and fur-bearing animals, or game or nongame birds;

(4) appropriate moneys from the funds at its disposal for the extermination or eradication of predatory animals that destroy fish, game, or fur-bearing animals or game or nongame birds;

(5) spend fish and game funds necessary to introduce and propagate wild waterfowl food and for that purpose may secure expert advice as to what kinds of waterfowl foods are adapted to the climate, soil, and waters of this state.

**History: En. 26-104.4 by Sec. 5, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-104.4.**

**Cross-References**

Predator control, Title 81, ch. 7, part 1.

Construction and maintenance of hatcheries, 87-3-201.

**87-1-222. Construction and maintenance of fish hatcheries and fish ladders.** (1) The department shall furnish plans for, direct, and compel the construction, installation, and repair of fish ladders upon dams and other obstructions in streams. The fish ladders shall be installed and maintained at the expense of the owners of the dam or other obstruction.

(2) The department may purchase and maintain, at the expense of the state fish and game fund, suitable fish screens, fish wheels, or other devices to install in irrigating ditches to prevent fish entering said ditches.

(3) The department may locate, lay out, construct, and maintain nurseries and rearing ponds where fry can be planted, propagated, and reared to be distributed in the waters of this state. The department may spend from fish and game funds sums necessary for this purpose.

**History: En. 26-104.5 by Sec. 6, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-104.5.**

**Cross-References**

Funding construction or renovation of fish hatcheries, 17-5-416.

Propagation and distribution of fry or fingerlings, 87-3-201, 87-3-202.

**87-1-223. Control of state waters for propagation of fish.** The department of fish, wildlife, and parks may control the waters of any lake, pond, or stream which lies wholly within the limits of land owned by the state so far as the use of that lake, pond, or stream for the breeding and propagation of game fish is concerned. Before the right to control any lake, pond, or stream inures to the department of fish, wildlife, and parks, the department of fish, wildlife, and parks shall notify the department of state lands that the lake, pond, or stream is wanted for that purpose, giving a description of the land by legal subdivision when surveyed or a sufficient general description when not so surveyed. The department of state lands shall make that entry upon its books and maps as may serve as notice to a lessor or purchaser of the right claimed by the state in the lake, pond, or stream. The department of state lands shall notify a lessor, purchaser, or applicant to lease or purchase of the fact that a right to the use of the lake, pond, or stream is so claimed. This right may not continue for more than 1 year after the land is sold by the state. If the right to the control of a lake, pond, or stream lessens the value of that land or prevents the ready sale of it, the right granted to the department of fish, wildlife, and parks may be terminated upon giving 60 days' notice of the termination to the department of fish, wildlife, and parks.

**History: En. Sec. 18, Ch. 193, L. 1921; re-en. Sec. 3667, R.C.M. 1921; re-en. Sec. 3667, R.C.M. 1935; amd. Sec. 16, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-118; amd. Sec. 2, Ch. 218, L. 1979.**

**Cross-References**

Water rights, Art. IX, sec. 3, Mont. Const.

Protection of fishing streams against construction and hydraulic projects, Title 87, ch. 5, part 5.

**87-1-224. Destruction of beaver and beaver dams for protection of public health.** (1) When a complaint is made to the department of health and environmental sciences that beaver are obstructing the free flow of a stream flowing through a settled area and into which sewage of a town or city is dumped and the obstruction endangers public health, the department of health and environmental sciences shall immediately investigate the complaint. If it finds that the work of the beavers endangers public health, it shall report the facts to the department of fish, wildlife, and parks.

(2) The department of fish, wildlife, and parks shall immediately issue a permit, free of charge, to the landowner upon whose land the beaver dams are located for the removal of the beaver, the number of which shall be designated by the warden making the inspection. The landowner shall remove all beaver and beaver dams as provided by the permit within 10 days after its issuance. If the landowner refuses to remove the beaver or the dams in the 10-day period or if he does not desire to do so and so advises the department, then the department may remove the beaver by trapping or transplanting and remove their dam by blasting or other means.

(3) The department of fish, wildlife, and parks shall furnish all labor needed to blast out or otherwise remove the beaver dams. Necessary explosives shall be furnished by the county in which the beaver dams are located.

**History: En. 3722(A), R.C.M. 1935 by Sec. 1, Ch. 173, L. 1943; amd. Sec. 32, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-402; amd. Sec. 2, Ch. 218, L. 1979.**

**Cross-References**

General power and duties of Department of Health and Environmental Sciences, 50-1-202.

Destruction of beaver and muskrat houses unlawful, 87-3-503.

**87-1-225. Regulation of wild animals damaging property — public hunting requirements.** (1) Subject to the provisions of subsection (2), a landowner is eligible for game damage assistance under subsection (3) if he:

(a) allows public hunting during established hunting seasons; or

(b) does not significantly reduce public hunting through imposed restrictions.

(2) The department may provide game damage assistance when public hunting on a landowner's property has been denied because of unique or special circumstances that have rendered public hunting inappropriate.

(3) Within 48 hours after receiving a request or complaint from any landholder or person in possession and having charge of any land in the state that wild animals of the state, protected by the fish and game laws and regulations, are doing damage to the property or crops thereon, the department shall investigate and arrange to study the situation with respect to damage and depredation. The department may then decide to open a special season on the game or, if the special season method be not feasible, the department may destroy the animals causing the damage. The department may authorize and grant the holders of said property permission to kill or destroy a specified number of the animals causing the damage. No wild ferocious animal damaging property or endangering life shall be covered by this section.

**History:** **En. Sec. 1, Ch. 60, L. 1957; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-135; amd. Sec. 1, Ch. 569, L. 1987; amd. Sec. 1, Ch. 568, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (1) relating to eligibility of landowners to receive game damage assistance; and inserted (2) relating to the authority of Department to provide game damage assistance to landowners denying public hunting.

**Cross-References**

Compensation for damage caused by animal in captivity, 87-1-233.

Crop damage, 87-1-304.

Meat donated to public entities, 87-1-512.

Taking of wildlife to protect persons or livestock, 87-3-130.

Permit for removal of beaver and dams, 87-3-501.

**87-1-226. Disposition of meat of animals damaging property.** (1) The meat of all animals killed or destroyed pursuant to 87-1-225 by the department or the authorized landholder shall be conserved and given to state institutions, school lunch programs, the department of social and rehabilitation services, or charitable institutions. The department shall provide transportation and distribution of the meat.

(2) Any meat not accepted by state institutions, school lunch programs, the department of social and rehabilitation services, or charitable institutions shall be sold as provided in 87-1-511.

**History:** **En. Sec. 2, Ch. 60, L. 1957; amd. Sec. 22, Ch. 511, L. 1973; R.C.M. 1947, 26-136; amd. Sec. 1, Ch. 120, L. 1985.**

**Cross-References**

Crop damage, 87-1-304.

Meat donated to public entities, 87-1-512.

Taking of wildlife to protect persons or livestock, 87-3-130.

**87-1-227. Hunting rights on adjoining federal wildlife preserve.** (1) The department shall negotiate for and enter into written agreements with owners, lessors, lessees, or others having control of areas, tracts, or parcels of land adjoining or contiguous to any United States federal wildlife preserve, including any wildlife refuge for migratory waterfowl in any section of Montana, for the purpose of securing equal hunting and shooting rights for all resident holders of fish and game licenses in Montana on such adjoining and contiguous lands and preventing such preserves from being surrounded by lands whereon such licensees may not enter. The department shall, further, open or cause to be opened to public hunting and shooting of migratory waterfowl on any roads, lanes, and trails not a part of the traveled portion of any federal-aid highway system within a 1-mile limit from the boundaries of any such preserve or refuge. The department shall cause any such area, tract, road, lane, or trail to be plainly posted with clear signs showing the boundaries of the areas, tracts, roads, lanes, or trails open to shooting and hunting by licensees.

(2) The department is hereby authorized to negotiate the payment of a reasonable sum to landowners, lessors, or lessees for the right of the department to create a public shooting area upon their lands. The amount that may be paid for such purpose shall rest in the discretion of the department.

**History: En. Secs. 1, 2, Ch. 224, L. 1943; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1120, 26-1121.**

**Cross-References**

Consent to federal acquisition of migratory bird reservations, 2-1-211.

Cooperative agreements, 87-1-303.

Posting of preserve and refuge boundaries, 87-5-402.

**87-1-228. Agreement with Indians concerning hunting and fishing — Indian treaty of 1855.** (1) Whereas, by treaty of July 16, 1855, between the United States of America and the confederated tribes of the Flathead, Kootenai, and Upper Pend Oreille Indians, the tribes have certain rights to fish and hunt; and whereas, it appears to be to the common advantage of the state and Indian tribes to cooperate in matters involving hunting and fishing. Therefore, the department may negotiate and conclude an agreement with the council of the Confederated Salish and Kootenai tribes of the Flathead Indian reservation for the purpose of:

(a) authorizing individuals to serve on a state-tribal cooperative board to develop hunting and fishing regulations and reimbursing those individuals' expenses pursuant to 2-18-501 through 2-18-503;

(b) doing what in its judgment is necessary by way of granting to tribal Indians state permits to hunt and fish off reservation on open and unclaimed lands, to be issued without charge to the Indians, or allowing Indians to hunt without licenses, permits, or stamps;

(c) issuing jointly with the council hunting and fishing licenses, permits, and stamps under terms established by mutual agreement and recognized as valid for hunting and fishing throughout the state;

(d) authorizing all revenues collected from sale of joint licenses, permits, and stamps to be remitted to the council for the purpose of a fish and wildlife program;

(e) transferring to the council an amount equal to all fines and restitution collected in state court for fish and wildlife violations within reservation boundaries for use in a fish and wildlife program;

(f) policing Indian and other lands for the protection of fish and game and providing responsibility for redress of fish and game violations to state or tribal courts; and

(g) in general carrying out the purposes of this section.

(2) Any agreement entered into under subsection (1) must also satisfy the requirements of Title 18, chapter 11.

(3) Prior to concluding any agreement under this section, the department shall hold public meetings, after proper public notice of the meetings has been given and the proposed agreement has been made available for public review, to afford an opportunity to comment on the contents of the agreement.

**History: Ap. p. Preamble, Sec. 1, Ch. 198, L. 1947; Sec. 26-131, R.C.M. 1947; Ap. p. Preamble, Sec. 1, Ch. 198, L. 1947; amd. Sec. 2, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977;**

**Sec. 26-132, R.C.M. 1947; R.C.M. 1947, 26-131, 26-132; amd. Sec. 13, Ch. 309, L. 1981; amd. Sec. 1, Ch. 590, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Substituted language relating to cooperation in matters involving hunting and fishing on Flathead Reservation for former text that read: "(1) Whereas, by treaty of July 16, 1855, between the United States of America, represented by Isaac I. Stephens, governor and superintendent of Indian affairs for the territory of Washington, and the chiefs, headmen, and delegates of the confederated tribes of the Flathead, Kootenai, and Upper Pend Oreille Indians, the said Indians were given the exclusive right to fish and hunt on the Flathead Indian reservation and the privilege of hunting in their usual hunting grounds on large areas of Montana; and whereas, nonmembers of such tribes have the right to hunt and fish on Indian lands by sufferance of such tribes only; and whereas, it appears to be to the common advantage of the state and such Indian tribes that hunting and fishing regulations and privileges on other lands of the state and on Indian lands shall be uniform and that hunting and fishing on such Indian lands shall be in common with the public, now, therefore, the department may negotiate and conclude an agreement with the council of the Confederated Salish and Kootenai tribes of the Flathead Indian reservation for the purpose of:

(a) obtaining and establishing for the citizens of Montana, regularly licensed to hunt and fish in the state, the privileges of hunting and fishing on Indian lands on the Flathead Indian reservation;

(b) the conservation and protection of fish and game and fur-bearing animals on such Indian lands and on lands adjacent thereto;

(c) setting dates for the opening and closing of seasons for hunting and fishing on such lands for Indians and non-Indians alike, opening and closing of streams and land areas for hunting and fishing;

(d) doing what in its judgment is necessary by way of granting to such tribal Indians state permits to hunt and fish, to be issued without charge to such Indians;

(e) stocking streams and land areas of such Indian lands for the common benefit;

(f) policing such Indian lands for the protection of fish and game; and

(g) in general carrying out the purposes of this section.

(2) If any part of such agreement provides for the payment of money to the tribes, that part must first have the approval of the state legislature.

(3) Any agreement entered into under subsection (1) must also satisfy the requirements of Title 18, chapter 11."

### 87-1-229 and 87-1-230 reserved.

**87-1-231. Tattooing of bears, wolves, tigers, mountain lions, or coyotes — when required — penalty.** (1) Any bear, wolf, tiger, mountain lion, or coyote that is captured alive to be later released or which is held in captivity for any purpose must be reported to the department within 3 days of the capture or commencement of captivity. If a person capturing or holding in captivity such animal fails to report an animal as required by this section, such failure is a misdemeanor punishable as provided in 87-1-102.

(2) Each animal reported as required in subsection (1) shall be permanently tattooed or otherwise permanently identified in a manner that will provide positive individual identification of such animal. No tattoo is required under this section if the animal is subject to a permanent, individual identification process by another state or federal agency.

(3) Any person holding a bear, wolf, tiger, mountain lion, or coyote in captivity shall immediately report to the department any death, escape, release, transfer of custody, or other disposition of such animal.

**History: En. Sec. 1, Ch. 566, L. 1985.**

**Cross-References**

Game farms, Title 87, ch. 4, part 4.

**87-1-232. Tattoo records.** (1) The department shall maintain a record of each animal reported to it pursuant to 87-1-231. The record shall indicate:

(a) the person by whom the animal was captured or is held in captivity;

(b) the location of the capture or captivity;

(c) the date the animal was tattooed;

(d) the purpose of the captivity or capture; and

(e) any death, escape, release, transfer of custody, or other disposition of such animal.

(2) The department shall establish by rule a fee to be charged, which may not exceed the administrative cost of maintaining the record required by this section.

**History:** **En. Sec. 2, Ch. 566, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-1-233. Compensation for damage caused by animal held in captivity.** If any bear, wolf, tiger, mountain lion, or coyote that is held in captivity or that escapes from such captivity causes any damage to the personal property of another person, compensation for such damage must be paid by the person holding or who held the animal in captivity.

**History:** **En. Sec. 3, Ch. 566, L. 1985.**

**Cross-References**

Regulation of wild animals damaging property, 87-1-225.

**87-1-234. Exceptions to tattoo and compensation requirements.** Sections 87-1-231 through 87-1-233 do not apply to those animals:

(1) captured and released as part of an ongoing game management program or an ongoing predator control program unless such animals have been involved in livestock killing; or

(2) captured and released as part of a scientific, educational, or research program as certified by the department.

**History:** **En. Sec. 4, Ch. 566, L. 1985.**

**Cross-References**

Taking fish or game for scientific purposes, 87-2-806.

**87-1-235 through 87-1-240 reserved.**

**87-1-241.** *(Temporary)* **Acquisition of wildlife habitat — rules.** (1) Before acquisition of any interest in land for the primary purpose of securing wildlife habitat the commission shall by rule establish a policy for making such acquisitions. With regard to any specific acquisition the policy shall provide for a comprehensive analysis of:

(a) the wildlife populations and use currently associated with the property;

(b) the potential value of the land for protection, preservation, and propagation of wildlife;

(c) management goals proposed for the land and wildlife populations, and where feasible, any additional uses of the land such as livestock grazing or timber harvest;

(d) any potential impacts to adjacent private land resulting from proposed management goals, and plans to address such impacts;

(e) any significant potential social and economic impacts to affected local governments and the state, including but not limited to impacts on:

(i) tax revenue available for the operation of taxing jurisdictions within the county;

(ii) services required to be provided by local governments;

(iii) employment opportunities within the counties;

(iv) local schools; and

(v) private businesses supplying goods and services to the community;

(f) a land maintenance program to control weeds and maintain roads and fences; and

(g) any other matter considered necessary or appropriate by the commission.

(2) The analysis made of any proposed acquisition must be made available for review by each owner of land adjacent to the property that is the subject of analysis, and to any member of the public. A public hearing must be held in the affected area after the analysis has been made available to the public. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**History: En. Sec. 1, Ch. 598, L. 1987; amd. Sec. 1, Ch. 515, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (1)(e) requiring analysis of significant potential social and economic impacts. Amendment effective April 12, 1989.

**Cross-References**

State land sales, Title 77, ch. 1, parts 1 and 2.

Acquisition and sale of lands or waters, 87-1-209.

Commission approval of acquisitions, exchanges, or sales, 87-1-301.

Acquisition or exchange of lands, 87-1-301, 87-1-701, 87-1-703, 87-1-709, 87-1-711.

Acquisition or exchange of waters, 87-1-301, 87-1-713, 87-1-714.

Rules for use of lands and waters, 87-1-303.

**87-1-242.** *(Temporary)* **Funding for wildlife habitat.** (1) The amount of money specified in this subsection from the sale of each hunting license or permit listed must be used exclusively by the commission to secure, develop, and maintain wildlife habitat, subject to appropriation by the legislature.

(a) Class B-10, nonresident combination, $77;

(b) Nonresident antelope, $20;

(c) Nonresident moose, $20;

(d) Nonresident mountain goat, $20;

(e) Nonresident mountain sheep, $20;

(f) Class D-1, nonresident mountain lion, $20;

(g) Nonresident black bear, $20;

(h) Wild turkey nonresident, $10;

(i) Class AAA, sportsman's, $7;

(j) Class B-11 nonresident deer combination, $200.

(2) Twenty percent of any increase after March 1, 1988, in the fee for the Class B-7 license or any license or permit listed in subsection (1) must be allocated for use as provided in subsection (1).

(3) Eighty percent of the money allocated by this section, together with the interest and income therefrom, must be used to secure wildlife habitat pursuant to 87-1-209.

(4) Twenty percent of the money allocated by this section must be credited to the account created by 87-1-601(5) for use in the manner prescribed

therein for the development and maintenance of real property used for wildlife habitat. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**History:** **En. Sec. 2, Ch. 598, L. 1987; amd. Sec. 11, Ch. 598, L. 1987; amd. Sec. 11, Ch. 636, L. 1987.**

### 87-1-243 through 87-1-245 reserved.

**87-1-246. Funding of upland game bird enhancement program.** The amount of money specified in this section from the sale of each hunting license listed must be used exclusively by the department to preserve and enhance upland game bird populations in Montana in accordance with 87-1-246 through 87-1-249, subject to appropriation by the legislature:

(1) Class A-1, resident upland game bird, $2;

(2) Class B-1, nonresident upland game bird, $23;

(3) Class AAA, sportsman's, $2; and

(4) Class B-10, nonresident big game combination, $23.

**History:** **En. Sec. 1, Ch. 636, L. 1987; amd. Sec. 11, Ch. 636, L. 1987; amd. Sec. 1, Ch. 232, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle of introductory clause, before "populations", substituted "upland game bird" for "pheasant". Amendment effective March 22, 1989.

**87-1-247. Authorized use of funds.** (1) Not more than 10% of the money generated under 87-1-246 may be used by the department to:

(a) prepare and disseminate information to landowners and organizations concerning the upland game bird enhancement program;

(b) review potential pheasant release sites;

(c) assist applicants in preparing management plans for project areas; and

(d) evaluate the upland game bird enhancement program.

(2) The remainder of the money raised must be used:

(a) to share, at $3 a bird, in the cost of releasing pheasants in suitable habitat, in such numbers and under conditions determined by the department under 87-1-248(1); and

(b) to revert, at the end of each fiscal year, all unexpended funds to the habitat portion of the program outlined in 87-1-248(2) for the development, enhancement, and conservation of upland game bird habitat in Montana.

**History:** **En. Sec. 2, Ch. 636, L. 1987; amd. Sec. 2, Ch. 232, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(a) and (1)(d) substituted "upland game bird" for "pheasant"; in (2)(a), near beginning, substituted "at $3" for "up to $3" and at end inserted reference to 87-1-248(1); inserted (2)(b) providing for reversion of funds for habitat enhancement; and made minor change in form. Amendment effective March 22, 1989.

**87-1-248. Qualification of upland game bird enhancement projects.** (1) A project eligible for funding under the pheasant release program must contain the proper combination of winter cover, food, nesting cover, and other pheasant habitat components determined necessary by the department to provide for a viable permanent pheasant population.

(2) Habitat enhancement efforts must include assistance to applicants in the establishment of suitable nesting cover, winter cover, and feeding areas through cost-sharing programs, leases, and conservation easements.

(3) No project containing hunting preserves or any commercial hunting enterprise or wherein hunting rights are leased or paid for is eligible for funding.

(4) Preference must be given for project applications submitted by youth organizations, 4-H clubs, sportsmen's groups, and other associations of sufficient size to guarantee completion of all project requirements. However, individual landowners may also apply, so long as the land in the project area remains open to public hunting in accordance with reasonable use limitations imposed by the landowner.

**History: En. Sec. 3, Ch. 636, L. 1987; amd. Sec. 3, Ch. 232, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (2) stating qualifications for habitat enhancement efforts; and made minor changes in phraseology and form. Amendment effective March 22, 1989.

**87-1-249. Rules.** The department shall adopt rules for the administration of the upland game bird enhancement program created in 87-1-246 through 87-1-249.

**History: En. Sec. 4, Ch. 636, L. 1987; amd. Sec. 4, Ch. 232, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle substituted "upland game bird" for "pheasant". Amendment effective March 22, 1989.

**87-1-250. Report.** The department shall report to the fish and game committee of each house of the legislature concerning upland game bird enhancement activities undertaken pursuant to 87-1-246 through 87-1-249 during the preceding biennium, together with any recommendations concerning the operation of the program.

**History: En. Sec. 9, Ch. 636, L. 1987; amd. Sec. 5, Ch. 232, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near middle substituted "upland game bird" for "pheasant". Amendment effective March 22, 1989.

**87-1-251 through 87-1-254 reserved.**

**87-1-255. Purpose.** The legislature finds that the conservation of rivers and their fisheries is of vital social and economic importance to Montana. The legislature further finds that some of our state's rivers and fisheries are diminished in value by water pollution, water shortages, and riparian erosion and that there is a need for a program to promote the beneficial use and productivity of our river systems. The legislature further finds that establishment of a river restoration program, funded by anglers from across the state and nation, is a sound and proper method to help ensure that the rivers and fisheries that anglers and others have treasured for Montana's first 100 years will continue to serve the state and its people.

**History: En. Sec. 1, Ch. 601, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 12, Ch. 601, L. 1989, provided that this section is effective July 1, 1989.

**87-1-256. Definitions.** As used in 87-1-255 through 87-1-259, the following definitions apply:

(1) "Account" means the river restoration account provided for in 87-1-258.

(2) "Associated lands" means the beds, banks, and immediately adjacent lands associated with a river.

(3) "Department" means the department of fish, wildlife, and parks provided for in 2-15-3401.

(4) "Program" means the river restoration program provided for in 87-1-257.

(5) "Restoration" means to restore to a good condition, regenerate, or make over in an improved form.

(6) "River" means a river, stream, creek, or other naturally occurring body of flowing water.

**History: En. Sec. 2, Ch. 601, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 12, Ch. 601, L. 1989, provided that this section is effective July 1, 1989.

**87-1-257. River restoration program.** (1) The department shall administer a river restoration program.

(2) The program may consist of physical projects to improve rivers and their associated lands in order to conserve and enhance fish and wildlife habitat.

(3) The department shall work cooperatively with individuals, conservation districts, and state, local, private, tribal, and federal organizations to achieve the goals of the program and may contract with private organizations to implement specific river restoration projects.

(4) The department shall present projects to the local conservation district for review and recommendations and obtain any applicable permits.

(5) The department shall receive the consent of the landowner or lessee of any associated lands before initiating physical projects on these lands.

(6) No project conducted under the program may restrict or interfere with the exercise of any water right.

**History: En. Sec. 3, Ch. 601, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 12, Ch. 601, L. 1989, provided that this section is effective July 1, 1989.

**87-1-258. River restoration account.** (1) There is a river restoration special revenue account administered by the department within the state special revenue fund established in 17-2-102.

(2) There must be deposited in the account:

(a) all proceeds earmarked for this account under 87-2-301, 87-2-302, and 87-2-711; and

(b) money received by the department in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of this account.

(3) The department may spend funds in the account only to carry out the program provided for in 87-1-257.

**History: En. Sec. 4, Ch. 601, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 12, Ch. 601, L. 1989, provided that this section is effective July 1, 1989.

**87-1-259. Funding for river restoration account.** The amount of money specified in this section from the sale of each of the following licenses must be deposited in the account provided for in 87-1-258:

(1) Class A—resident fishing license, 50 cents;

(2) Class B—nonresident fishing license, $1; and

(3) Class AAA—sportsman's license, 50 cents.

**History: En. Sec. 5, Ch. 601, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 12, Ch. 601, L. 1989, provided that this section is effective July 1, 1989.

## Part 3

## Fish and Game Commission

**Part Cross-References**

Establishment, composition, and qualifications of Commission, 2-15-3402.

Quasi-judicial designation, 2-15-3402.

**87-1-301. Powers of the commission.** The commission shall:

(1) set the policies for the protection, preservation, and propagation of the wildlife, fish, game, furbearers, waterfowl, nongame species, and endangered species of the state and for the fulfillment of all other responsibilities of the department as provided by law;

(2) establish the hunting, fishing, and trapping rules of the department;

(3) establish the rules of the department governing the use of lands owned or controlled by the department and waters under the jurisdiction of the department;

(4) have the power within the department to establish wildlife refuges and bird and game preserves;

(5) approve all acquisitions or transfers by the department of interests in land or water;

(6) review and approve the budget of the department prior to its transmittal to the budget office; and

(7) review and approve construction projects whose estimated cost is more than $1,000 but less than $5,000.

**History: En. 26-103.1 by Sec. 16, Ch. 417, L. 1977; R.C.M. 1947, 26-103.1.**

**Cross-References**

Seasonal rules adopted annually, 2-4-102.

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Local government denied powers affecting Title 87, 7-1-111.

State-Tribal Cooperative Agreements Act, Title 18, ch. 11.

Establishment of use rules, 23-1-106, 23-1-202.

Commission to submit to Legislature proposed park, recreational, and historic areas, 23-1-108.

Acquisition, exchange, or sale of lands and waters, 87-1-209, 87-1-701, 87-1-703, 87-1-709, 87-1-711, 87-1-713, 87-1-714.

Fish and wildlife preserves and refuges, 87-1-706, 87-5-401, 87-5-402.

**87-1-302. Commission meetings.** The members of the commission shall hold quarterly or other meetings for the transaction of business, at times and places it considers necessary and proper. The meetings shall be called by the chairman or by a majority of the commission and shall be held at the time and place specified in the call for the meeting. A majority of the members of the commission shall constitute a quorum for the transaction of any business which may come before it. The commission shall keep a record of all the business transacted by it. The chairman and secretary shall sign all orders, minutes, or documents for the commission.

**History: En. Sec. 3, Ch. 193, L. 1921; re-en. Sec. 3652, R.C.M. 1921; amd. Sec. 1, Ch. 77, L. 1923; amd. Sec. 1, Ch. 192, L. 1925; re-en. Sec. 3652, R.C.M. 1935; amd. Sec. 1, Ch. 114, L. 1945; amd. Sec. 1, Ch. 52, L. 1957; amd. Sec. 1, Ch. 119, L. 1959; amd. Sec. 23, Ch. 271, L. 1963; amd. Sec. 2, Ch. 511, L. 1973; R.C.M. 1947, 26-103(part).**

**87-1-303. Rules for use of lands and waters.** (1) The commission may adopt and enforce rules governing uses of lands acquired or held under easement by the commission or lands which it operates under agreement with or in conjunction with a federal or state agency or private owner. The rules shall be adopted in the interest of public health, public safety, and protection of property in regulating the use of these lands. All lease and easement agreements shall itemize uses as listed in 87-1-209.

(2) The commission may adopt and enforce rules governing recreational uses of all public fishing reservoirs, public lakes, rivers, and streams which are legally accessible to the public or on reservoirs and lakes which it operates under agreement with or in conjunction with a federal or state agency or private owner. These rules shall be adopted in the interest of public health, public safety, and protection of property in regulating swimming, hunting, fishing, trapping, boating, including but not limited to boating speed regulations, the operation of motor-driven boats, waterskiing, surfboarding, picnicking, camping, sanitation, and use of firearms on the reservoirs, lakes, rivers, and streams or at designated areas along the shore of the reservoirs, lakes, rivers, and streams. Areas regulated pursuant to the authority contained in this section must be areas which are legally accessible to the public. These rules are subject to review and approval by the department of health and environmental sciences as to public health and sanitation before becoming effective. Copies of the rules shall show that endorsement.

**History: En. 26-104.9 by Sec. 10, Ch. 511, L. 1973; amd. Sec. 1, Ch. 332, L. 1975; R.C.M. 1947, 26-104.9.**

**Cross-References**

Seasonal rules adopted annually, 2-4-102.

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Adoption and enforcement of rules, 23-1-106.

Recreational use of streams, Title 23, ch. 2, part 3.

Boating rules, 23-2-523, 23-2-526, 23-2-529.

Navigable waters, 85-1-112.

Adjudication of water rights, Title 85, ch. 2, part 2.

Cooperative agreements over jointly controlled land, 87-1-210.

Navigable waters subject to fishing rights, 87-2-305.

Use regulations, 87-3-203.

**87-1-304. Fixing of seasons and bag and possession limits.** (1) The commission may fix seasons, bag limits, possession limits, and season limits;

open or close or shorten or lengthen seasons on any species of game, bird, fish, or fur-bearing animal as defined by 87-2-101; and declare areas open to the hunting of deer, antelope, elk, moose, sheep, and goat by bow and arrow permit holders and designate times when only bows and arrows may be used to hunt deer, antelope, elk, moose, sheep, and goat in those areas. It may declare areas open to deer or elk or both deer and elk hunting where only bow and arrow or shotguns or both may be used to hunt or kill deer or elk. In areas where deer or elk or both deer and elk hunting is open to the use of shotguns, the commission shall authorize the use of muzzleloaders with restrictions as necessary for safety. It may declare areas open to special license holders only and issue special licenses in a limited number when it determines, after proper investigation, that such a season is necessary to assure the maintenance of an adequate supply of game birds, fish, or animals or fur-bearing animals. It may declare a special season and issue special licenses when game birds or animals or fur-bearing animals are causing damage to private property or when written complaint of such damage has been filed with the commission by the owner of that property. In determining to whom those licenses shall be issued, it may, when more applications are received than the number of animals to be killed, award permits to those chosen under a drawing system. The procedures used for awarding the permits from the drawing system shall be determined by the commission.

(2) The commission may adopt rules governing the use of livestock and vehicles by archers during special archery seasons.

(3) It may divide the state into fish and game districts and create fish, game, or fur-bearing animal districts throughout the state. It may declare closed season for hunting, fishing, or trapping in any of those districts and later may open those districts to hunting, fishing, or trapping.

(4) It may declare a closed season on any species of game, fish, game birds, or fur-bearing animals threatened with undue depletion from any cause. It may close any area or district of any stream, public lake, or public water or portions thereof to hunting, trapping, or fishing for limited periods of time, when necessary to protect a recently stocked area, district, water, spawning waters, spawn-taking waters, or spawn-taking stations or to prevent the undue depletion of fish, game and fur-bearing animals, and game and nongame birds. It later may open the area or district upon consent of a majority of the property owners affected.

(5) The commission may authorize the director to open or close any special season upon 12 hours' notice to the public.

(6) It may declare certain fishing waters closed to fishing except by persons under 13 years of age. The purpose of this subsection is to provide suitable fishing waters for the exclusive use and enjoyment of juveniles under 13 years of age, at times and in areas the commission in its discretion considers advisable and consistent with its policies relating to fishing.

**History: En. 26-104.3 by Sec. 4, Ch. 511, L. 1973; R.C.M. 1947, 26-104.3; amd. Sec. 1, Ch. 220, L. 1979; amd. Sec. 1, Ch. 313, L. 1983; amd. Sec. 1, Ch. 487, L. 1985; amd. Sec. 1, Ch. 517, L. 1987.**

**Cross-References**

Property damage by wild animals — special season, 87-1-225, 87-1-226.

Mourning dove as migratory game bird — season restricted, 87-2-101.

Restriction on number of licenses, 87-2-104, 87-2-505, 87-2-506, 87-2-701.

Turkey seasons, 87-2-403.

Closure of hunting and fishing areas, 87-3-106, 87-5-402.

Violation of closed season, 87-3-402.
Bag limits, 87-3-403.
Grizzly bear seasons, 87-5-302.
Creation and posting of districts, 87-5-402.

**87-1-305. Fish and game refuges.** (1) The commission may establish and close to hunting, trapping, or fishing any game, bird, or fish refuge on public lands and, with the consent of the owner, on private lands. It may close streams, lakes, or parts of them to hunting, trapping, or fishing.

(2) The commission may establish game refuges in which game and fur-bearing animals, game or nongame birds may breed and replenish. These refuges shall be established by order of the commission upon petition and proper showing that the action is, in judgment of the commission, necessary and in the best interest of the wildlife within the area to be included in the refuge. The purpose of this provision is to establish small refuges rather than large preserves or rather than close large areas to hunting or trapping.

(3) The commission may designate and protect certain areas as resting, feeding, and breeding grounds for migratory birds, in which hunting and molestation are forbidden. The purpose of this provision is not to interfere unduly with the hunting of waterfowl but to provide havens in which they can rest, feed, and breed without molestation.

(4) After a petition has been duly filed with the secretary of the commission requesting that an area be set aside as a game refuge, the secretary shall immediately publish a notice in a paper of general circulation in the county in which the area is located. The notice shall state that a hearing on the matter will be held at a designated place in the county not less than 15 days after first publication, at which time and place all interested parties may appear and be heard.

**History: En. 26-104.8 by Sec. 9, Ch. 511, L. 1973; R.C.M. 1947, 26-104.8.**

**Cross-References**

State-federal relationships and wildlife projects, Title 87, ch. 1, part 7.

Game preserves and closed areas, Title 87, ch. 5, part 4.

## Part 4

## Director of Fish, Wildlife, and Parks

**87-1-401. Director to carry out policies.** The director shall carry out the policies of the commission and shall adopt rules authorized by law to implement those policies.

**History: En. 26-106.3 by Sec. 17, Ch. 417, L. 1977; R.C.M. 1947, 26-106.3.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Appointment of Director, Art. VI, sec. 8, Mont. Const.; 2-15-3401.

Reports to Governor, Art. VI, sec. 15, Mont. Const.

Member of Water Pollution Control Advisory Council, 2-15-2107.

**87-1-402. Oath of director.** Before entering upon his official duties, the director shall take and subscribe the constitutional oath of office and shall in addition thereto swear or affirm that he holds no other position or office or any position under any political committee or party. Such oath or affirmation shall be filed in the office of the secretary of state.

**History: En. Sec. 11, Ch. 193, L. 1921; re-en. Sec. 3660, R.C.M. 1921; re-en. Sec. 3660, R.C.M. 1935; amd. Sec. 14, Ch. 177, L. 1965; R.C.M. 1947, 26-111(part).**

**Cross-References**

Oath of office, Art. III, sec. 3, Mont. Const.

Bonds of state officers and employees, Title 2, ch. 9, part 6.

**87-1-403. Regulation of employees by director.** (1) The director may suspend without pay, reduce in rank, or remove any employee at any time for cause, providing that any person who has been continuously employed for 1 year or more immediately preceding any suspension or discharge may demand and receive a hearing before the department on the charges filed. The action of the department resulting from such a hearing constitutes final administrative action for purposes of filing a grievance with the board of personnel appeals as provided in 87-1-205.

(2) The director shall rate all employees on the basis of merit and efficiency in accordance with rules adopted by the department to secure a proper rating of each person employed. The salaries of employees shall be fixed by the department, and travel expenses, as provided for in 2-18-501 through 2-18-503, as amended, shall be allowed employees while upon official business away from designated headquarters.

**History: En. Sec. 8, Ch. 193, L. 1921; re-en. Sec. 3657, R.C.M. 1921; amd. Sec. 1, Ch. 150, L. 1955; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 4, Ch. 453, L. 1977; R.C.M. 1947, 26-108; amd. Sec. 4, Ch. 44, L. 1979.**

**Cross-References**

State employee classification, compensation, and benefits, Title 2, ch. 18, part 1.

State employee grievance procedures, Title 2, ch. 18, part 10.

Employment, education, and certification standards, 7-32-303.

Grievance procedure, 87-1-205.

Travel expenses, 87-1-503, 87-1-602.

Salaries, 87-1-601, 87-1-602.

**87-1-404. Appointment of deputy director and wardens.** The director shall have the power to employ and appoint a deputy director and a sufficient number of wardens for the proper enforcement of the fish and game laws of the state and the orders, rules, and regulations of the department and for such other purposes as the director may designate.

**History: En. Sec. 7, Ch. 193, L. 1921; re-en. Sec. 3656, R.C.M. 1921; amd. Sec. 4, Ch. 192, L. 1925; amd. Sec. 3, Ch. 59, L. 1927; re-en. Sec. 3656, R.C.M. 1935; amd. Sec. 1, Ch. 158, L. 1941; amd. Sec. 1, Ch. 121, L. 1947; amd. Sec. 1, Ch. 58, L. 1951; amd. Sec. 1, Ch. 78, L. 1955; amd. Sec. 1, Ch. 77, L. 1957; amd. Sec. 5, Ch. 417, L. 1977; R.C.M. 1947, 26-107(part).**

**Cross-References**

Enforcement of fish and game laws, 87-1-201.

Wardens, generally, Title 87, ch. 1, part 5.

**87-1-405. Publication of laws.** As soon as practicable after the adjournment of each session of the legislature, the director in cooperation with the attorney general shall make a compilation of the laws relating to fish, game, game birds, and animals in force at the date of the compilation and properly index them. Copies of the compilation, sufficient in number for the purposes of this section, shall be printed in pamphlet form, pocket size. The director shall distribute to justices of the peace, wardens, and other officers and persons empowered to issue licenses for hunting, fishing, and trapping a supply of the compilation sufficient to permit one copy to be given anyone desiring a copy. The expense incurred in printing the laws shall be paid out of fish and game moneys in the state special revenue fund.

**History: En. Sec. 25, Ch. 193, L. 1921; re-en. Sec. 3674, R.C.M. 1921; re-en. Sec. 3674, R.C.M. 1935; amd. Sec. 20, Ch. 511, L. 1973; R.C.M. 1947, 26-125; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Publication of MCA, Title 1, ch. 11, part 3.

Dissemination of laws and proceedings, Title 5, ch. 11, part 2.

## Part 5

## Fish and Game Wardens

**87-1-501. Selection and oath of wardens.** (1) Wardens shall be selected from applicants who have passed such an examination as may be required according to the rules adopted and promulgated by the department. No person shall be appointed a warden until a certificate shall have been issued to him by the department to the effect that he has passed the required examination and is a fit and proper person to perform the duties of the office.

(2) Before entering upon their official duties, state fish and game wardens shall take and subscribe the constitutional oath of office and shall in addition thereto swear or affirm that they hold no other position or office or any position under any political committee or party. Such oath or affirmation shall be filed in the office of the secretary of state.

**History: Ap. p. Sec. 7, Ch. 193, L. 1921; re-en. Sec. 3656, R.C.M. 1921; amd. Sec. 4, Ch. 192, L. 1925; amd. Sec. 3, Ch. 59, L. 1927; re-en. Sec. 3656, R.C.M. 1935; amd. Sec. 1, Ch. 158, L. 1941; amd. Sec. 1, Ch. 121, L. 1947; amd. Sec. 1, Ch. 58, L. 1951; amd. Sec. 1, Ch. 78, L. 1955; amd. Sec. 1, Ch. 77, L. 1957; amd. Sec. 5, Ch. 417, L. 1977; Sec. 26-107, R.C.M. 1947; Ap. p. Sec. 11, Ch. 193, L. 1921; re-en. Sec. 3660, R.C.M. 1921; re-en. Sec. 3660, R.C.M. 1935; amd. Sec. 14, Ch. 177, L. 1965; Sec. 26-111, R.C.M. 1947; R.C.M. 1947, 26-107(part), 26-111(part).**

**Cross-References**

Oath of office, Art. III, sec. 3, Mont. Const.

Bonds of state officers and employees, Title 2, ch. 9, part 6.

Employment, education, and certification standards, 7-32-303.

Game wardens' retirement, Title 19, ch. 8

**87-1-502. Qualifications, powers, and duties.** (1) Wardens shall be qualified by their experience, training, and skill in protection, conservation, and propagation of wildlife, game, fur-bearing animals, fish, and game birds and interested in this work. They shall devote all of their time for which they are appointed to their official duties.

(2) They shall enforce the laws of this state and the rules of the department with reference to the protection, preservation, and propagation of game and fur-bearing animals, fish, and game birds.

(3) They shall see that persons who hunt, fish, or take game or fur-bearing animals, game birds, or fish have necessary licenses.

(4) They shall assist in the protection, conservation, and propagation of fish, game, fur-bearing animals, and game and nongame birds and assist in the planting, distributing, feeding, and care of fish, game, fur-bearing animals, and game and nongame birds. They shall, when ordered by the department, assist in the destruction of predatory animals, birds, and rodents. They shall perform all other duties prescribed by the department and make a monthly report to the department correctly informing the department of their activities on each day of the preceding month with regard to the enforcement of the fish and game laws, showing where their duties called them and what they did. The reports shall contain any pertinent recommendations the wardens may see fit to make.

(5) A warden may not compromise or settle violations of fish and game laws out of court.

(6) A warden has the authority to inspect any and all fish, game and nongame birds, waterfowl, game animals, and fur-bearing animals at reasonable times and at any location other than a residence or dwelling. Upon request therefor, all persons having in their possession any fish, game and nongame birds, waterfowl, game animals, and fur-bearing animals shall exhibit the same and all thereof to the warden for such inspection.

**History:** **En. Sec. 10, Ch. 193, L. 1921; re-en. Sec. 3659, R.C.M. 1921; amd. Sec. 5, Ch. 192, L. 1925; amd. Sec. 12, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-110.**

**Cross-References**

Seizure and impoundment of dogs, 7-23-102.

Employment, education, and certification standards, 7-32-303.

Duty to investigate boat accidents, 23-2-527.

Interstate Law Enforcement Mutual Aid Act, Title 44, ch. 11, part 3.

Definition of "enter or remain unlawfully", 45-6-201.

Criminal mischief or trespass, 45-6-203.

Enforcement of prohibition against dumping dead animals, 75-10-233.

Litter control, 75-10-233.

Duties of firewardens, 77-5-104.

Enforcement of fish and game laws, 87-1-201.

Checking stations, 87-1-207, 87-1-208.

Appointment of Wardens, 87-1-404.

**87-1-503. Ex officio wardens.** All sheriffs and their deputies, constables, all peace officers of the state or any subdivision thereof, and all state forest officers, such other officers of the United States forest service or agents of the United States fish and wildlife service which are assigned to duty in this state, and field personnel of the department, as the director may appoint, are hereby made ex officio wardens, without pay, except that the department may, in its discretion, allow traveling expenses as provided for in 2-18-501 through 2-18-503, which, if allowed, shall be paid upon proper vouchers from the state fish and game funds. Ex officio wardens shall have the same powers with reference to the enforcement of the fish and game laws of this state as regularly appointed wardens, and it is hereby made their duty to assist, whenever possible, in the enforcement of said laws.

**History:** **En. Sec. 14, Ch. 193, L. 1921; re-en. Sec. 3663, R.C.M. 1921; re-en. Sec. 3663, R.C.M. 1935; amd. Sec. 1, Ch. 115, L. 1955; amd. Sec. 1, Ch. 236, L. 1965; amd. Sec. 13, Ch. 439, L. 1975; amd. Sec. 6, Ch. 417, L. 1977; R.C.M. 1947, 26-114.**

**87-1-504. Protection of private property — wardens as ex officio fire wardens.** (1) It shall be the duty of wardens (state conservation officers) to enforce the provisions of 45-6-101, 45-6-203, and 75-10-212(2) on private lands being used for recreational purposes and to act as ex officio fire wardens as provided by 77-5-104.

(2) As used in this section, "recreational purposes" means recreational purposes as defined in 70-16-301.

**History:** **En. Sec. 1, Ch. 85, L. 1969; amd. Sec. 35, Ch. 513, L. 1973; R.C.M. 1947, 26-110.1; amd. Sec. 2, Ch. 599, L. 1985.**

**Cross-References**

Damage to private property on Department land, 23-1-106.

Definition of "enter or remain unlawfully", 45-6-201.

**87-1-505. Warden's power in protection of private property.** Wardens (state conservation officers) shall have the power of peace officers in the enforcement of 45-6-101, 45-6-203, and 75-10-212(2).

**History:** **En. Sec. 2, Ch. 85, L. 1969; amd. Sec. 36, Ch. 513, L. 1973; R.C.M. 1947, 26-110.2.**

**Cross-References**

Damage to private property on Department land, 23-1-106.

**87-1-506. Enforcement powers of wardens.** A warden may:

(1) serve a subpoena issued by a court for the trial of a violator of the fish and game laws;

(2) search, without a warrant, any tent not used as a residence, any boat, vehicle, box, locker, basket, creel, crate, game bag, or package or their contents upon probable cause to believe that any fish and game law or department rule for the protection, conservation, or propagation of game, fish, birds, or fur-bearing animals has been violated;

(3) search, with a search warrant, any dwelling house or other building;

(4) seize game, fish, game birds, and fur-bearing animals and any parts of them taken or possessed in violation of the law or the rules of the department;

(5) seize and hold, subject to law or the orders of the department, devices which have been used to unlawfully take game, fish, birds, or fur-bearing animals;

(6) arrest, in accordance with Title 46, chapter 6, a violator of a fish and game law or rule of the department, violation of which is a misdemeanor;

(7) enforce the disorderly conduct and public nuisance laws (45-8-101 and 45-8-111) as they apply to the operation of motorboats on all waters of the state;

(8) exercise the other powers of peace officers in the enforcement of the fish and game laws, the rules of the department, and judgments obtained for violation of those laws or rules.

**History: En. 26-110.3 by Sec. 13, Ch. 511, L. 1973; amd. Sec. 1, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-110.3; amd. Sec. 1, Ch. 694, L. 1983.**

**Cross-References**

Searches and seizures, Art. II, sec. 11, Mont. Const.

Motorboat noise limitation — violation as disorderly conduct and public nuisance, 23-2-526.

Search and seizure, Title 46, ch. 5.

Appointment of Wardens, 87-1-404.

**87-1-507 through 87-1-510 reserved.**

**87-1-511. Sale of confiscated birds and animals — disposition of seized grizzly bears.** (1) Except as provided in 87-1-226(1), all birds, animals, fish, heads, hides, teeth, or other parts of any animal other than grizzly bear seized by any officer or warden or otherwise acquired by a department employee in the scope of his employment may be sold, under the direction of the director or wardens, at a time, place, and manner so as to receive the highest price. The sale shall be at public auction to the highest and best bidder. The director or his wardens shall publish notice of the time and place of the sale, together with a description of the birds, fish, animals, or parts or portions of animals to be sold, in a newspaper of general circulation published in the county where the sale is to be held. The notice shall be published at least once, and the sale shall not be less than 5 or more than 30 days after the last publication. If the property seized is perishable, it may be sold by those officers without publishing notice of the sale. The property may be sold upon that public notice and under those terms and conditions which in the discretion of the officers seem conducive to securing full value.

(2) All grizzly bears or heads, hides, teeth, claws, or other parts of grizzly bears seized by any officer or warden may be donated to museums, educational institutions, government agencies, or persons conducting scientific

studies, as approved by the commission. If approved under federal law, parts may be sold at public auction if, after approval by the commission, a reasonable attempt has been made to dispose of the parts.

**History: En. Sec. 47, Ch. 173, L. 1917; re-en. Sec. 3726, R.C.M. 1921; re-en. Sec. 3726, R.C.M. 1935; amd. Sec. 35, Ch. 511, L. 1973; R.C.M. 1947, 26-506; amd. Sec. 2, Ch. 120, L. 1985; amd. Sec. 1, Ch. 540, L. 1985.**

**Cross-References**

Waste of fish or game, 87-3-102.

**87-1-512. Certificate of sale.** (1) Upon the sale of property as provided in 87-1-511, the officer shall issue a certificate to the purchasing party, certifying that the purchaser has the legal right to be in possession of the property and that anyone so acquiring this property from the state is prohibited from reselling the property for human consumption.

(2) Only one carcass of either deer, moose, or elk may be purchased per person at an auction conducted pursuant to 87-1-511. At its discretion, the department may donate unsold carcasses to welfare departments, public institutions, or charitable institutions.

(3) Subsection (1) does not prohibit the resale of heads, hides, pelts, or mounts.

**History: En. Sec. 48, Ch. 173, L. 1917; re-en. Sec. 3727, R.C.M. 1921; amd. Sec. 27, Ch. 192, L. 1925; re-en. Sec. 3727, R.C.M. 1935; amd. Sec. 1, Ch. 45, L. 1975; amd. Sec. 12, Ch. 9, L. 1977; R.C.M. 1947, 26-507; amd. Sec. 1, Ch. 108, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of (1) substituted "reselling the property for human consumption" for "reselling or using the same for any commercial purpose"; at end of first sentence of (2) inserted reference to auction conducted pursuant to 87-1-511; inserted (3) providing that subsection (1) does prohibit resale of heads, hides, pelts, or mounts; and made minor changes in form and phraseology. Amendment effective March 15, 1989.

**Cross-References**

Meat donated to public entities, 87-1-226.

**87-1-513. Disposition of proceeds of sale.** The money obtained upon the sale of such property shall be paid over to the court before whom the person having the same in possession at the time of seizure is prosecuted or in which prosecution is pending; and if the person charged with violation of the law is found guilty before said court of violation of the fish and game laws of the state, the money received for the sale of said property shall be paid over to the state treasurer and be deposited by him to the credit of the fish and game fund; but should it be found that the party from whom the same was taken was not guilty of any violation of the fish and game laws of this state, said money shall be paid to the party from whom said birds, animals, fish, or parts or portions thereof were taken. No officer shall be liable for any damage on account of any search, examination, seizure, or sale as herein provided. Where wild animals, game birds, or fish are seized as in this part provided and the person or persons who killed or captured the same cannot be ascertained or where the animals sold were killed pursuant to 87-1-225, then the money so received from the sale of such animals, game birds, or fish shall be paid direct to the state treasurer. The cost of advertising notice of sale, as herein required, shall be paid from the fish and game fund.

**History: En. Sec. 49, Ch. 173, L. 1917; re-en. Sec. 3728, R.C.M. 1921; re-en. Sec. 3728, R.C.M. 1935; R.C.M. 1947, 26-508; amd. Sec. 3, Ch. 120, L. 1985.**

**Cross-References**

Use of fish and game money, 87-1-201, 87-1-601.

**87-1-514. Record of confiscated property.** The director and wardens shall keep a complete record of all property confiscated because of a violation of the game and fish laws, showing in detail a description of the property, the person from whom it was confiscated, the price received for it upon public sale, and the disposition of the money.

**History: En. Sec. 50, Ch. 173, L. 1917; re-en. Sec. 3729, R.C.M. 1921; re-en. Sec. 3729, R.C.M. 1935; amd. Sec. 36, Ch. 511, L. 1973; R.C.M. 1947, 26-509.**

## Part 6

## Finance

**87-1-601. Use of fish and game money.** (1) All money collected or received from the sale of hunting and fishing licenses or permits, from the sale of seized game or hides, or from damages collected for violations of the fish and game laws of this state, from appropriations, or received by the department from any other state source shall be turned over to the state treasurer and placed by him in the state special revenue fund to the credit of the department. Any money received from federal sources shall be deposited in the federal special revenue fund to the credit of the department.

(2) That money shall be exclusively set apart and made available for the payment of all salaries, per diem, fees, expenses, and expenditures authorized to be made by the department under the terms of this title. That money shall be spent for those purposes by the department, subject to appropriation by the legislature.

(3) Any reference to the fish and game fund in this code means fish and game money in the state special revenue fund and the federal special revenue fund.

(4) All money collected or received from fines and forfeited bonds, except money collected or received by a justice's court, relating to violations of state fish and game laws under Title 87 shall be deposited by the state treasurer and credited to the department of fish, wildlife, and parks in a state special revenue fund account for this purpose. Out of any fine imposed by a court for the violation of the fish and game laws, the costs of prosecution shall be paid to the county where the trial was held in any case where the fine is not imposed in addition to the costs of prosecution.

(5) Money received by the department from the sale of surplus real property; exploration or development of oil, gas, or mineral deposits from lands acquired by the department except royalties or other compensation based on production; and from leases of interests in department real property not contemplated at the time of acquisition shall be deposited in an account within the nonexpendable trust fund of the state treasury. The interest derived therefrom, but not the principal, may be used only for the purpose of operation, development, and maintenance of real property of the department, and only upon appropriation by the legislature. If the use of money as set forth herein would result in violation of applicable federal laws or state statutes specifically naming the department or money received by the department,

then the use of this money must be limited in the manner, method, and amount to those uses that do not result in such violation.

**History:** En. Sec. 21, Ch. 193, L. 1921; re-en. Sec. 3670, R.C.M. 1921; amd. Sec. 32, Ch. 59, L. 1927; amd. Sec. 1, Ch. 53, L. 1933; amd. Sec. 2, Ch. 114, L. 1945; amd. Sec. 159, Ch. 147, L. 1963; amd. Sec. 17, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-121; amd. Sec. 2, Ch. 640, L. 1979; amd. Sec. 1, Ch. 388, L. 1981; amd. Sec. 45, Ch. 281, L. 1983; amd. Sec. 62, Ch. 557, L. 1987.

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

Sum to be paid into State Game Wardens' Retirement Account from fish and game money and money collected as fines and forfeited bonds, 19-8-504.

Disposition of fees, 37-47-306, 87-1-201, 87-1-701, 87-1-708, 87-1-710, 87-2-204, 87-4-602.

Payment of prosecution cost bills, 87-1-104.

Disposition of restitution proceeds, 87-1-114.

Payment of employee salaries, 87-1-403.

Disposition of proceeds of sale, 87-1-513.

Disposition of fines, bonds, and penalties, 87-4-808.

**87-1-602. Payment of salaries, per diem, and expenses.** All salaries, per diem, expenses, and claims incurred by the department or a person appointed or employed by it shall be paid out of fish and game moneys in the general fund, the federal special revenue fund, the state special revenue fund, or other applicable fund upon warrants properly drawn on those funds.

**History:** En. Sec. 23, Ch. 193, L. 1921; re-en. Sec. 3672, R.C.M. 1921; re-en. Sec. 3672, R.C.M. 1935; amd. Sec. 17, Ch. 97, L. 1961; amd. Sec. 18, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-123; amd. Sec. 1, Ch. 48, L. 1979; amd. Sec. 46, Ch. 281, L. 1983.

**Cross-References**

Travel expenses, 2-18-501 through 2-18-503, 87-1-403, 87-1-503.

State's contribution to game wardens' retirement account, 19-8-504.

**87-1-603. Payments to counties for department-owned land — exceptions.** Before November 30 of each year, the treasurer of each county in which the department owns any land shall describe the land, state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen. The director shall approve or disapprove the request. The director may disapprove a request only if he finds it to be inconsistent with this section. If the director disapproves a request, he shall return it with an explanation detailing the reasons for the disapproval to the appropriate county treasurer for correction. If the director approves a request, he shall transmit it to the state auditor, who shall draw a warrant payable to the county in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is payable out of any funds to the credit of the department of fish, wildlife, and parks. No payment may be made to a county in which the department owns less than 100 acres. No payment may be made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes or lands acquired and managed for the purposes of Title 23, chapter 1.

**History:** En. Sec. 1, Ch. 1, L. 1951; amd. Sec. 1, Ch. 188, L. 1953; amd. Sec. 21, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-133; amd. Sec. 2, Ch. 218, L. 1979; amd. Sec. 1, Ch. 486, L. 1987.

**87-1-604. Authorization for allocation of funds to school districts.** The county commissioners of any county receiving funds as provided in 87-1-603 may allocate, in such amounts as they determine, any portion of the funds to any school district in the county whenever the school district contains any department lands. Any balance remaining after allocations have been made to school districts shall be credited to the general fund of the county.

**History:** **En. Sec. 2, Ch. 1, L. 1951; amd. Sec. 3, Ch. 9, L. 1977; R.C.M. 1947, 26-134.**

**87-1-605. Fees used to purchase recreational facilities.** (1) One dollar of the fee for Class A resident fishing license, $1 of the fee for Class B-4 nonresident 5-day fishing license, and $5 of the fee for the Class B nonresident fishing license shall be used for the purchase, operation, development, and maintenance of fishing accesses; stream, river, and lake frontages; and the land deemed necessary to provide recreational use thereof.

(2) The amount of funds used for operation, development, and maintenance may not exceed 25% of the moneys set aside each year under this section. The funds raised under this section may not be used in lieu of any funds or sources of funds currently being used for acquisition or purchase of fishing accesses, stream, river, or lake frontages and the land deemed necessary to provide recreational use thereof but serve in addition to those funds. The moneys used for operation, development, and maintenance may be used only for these purposes on lands acquired with funds under this section after April 30, 1974.

**History:** **En. Sec. 3, Ch. 408, L. 1973; amd. Sec. 1, Ch. 82, L. 1977; R.C.M. 1947, 26-234; amd. Sec. 1, Ch. 461, L. 1981; amd. Sec. 6, Ch. 239, L. 1983.**

**Cross-References**

Acquisition of recreational areas, 23-2-103.

Disposition of fees, 87-1-201, 87-1-701, 87-1-708, 87-1-710, 87-2-204, 87-4-602.

**87-1-606. Fee limitation for multiple licenses.** If a person is issued more than one license under part 4, 9, or 10 of chapter 4 of this title, the total assessment for initial fees or for renewal fees for all licenses issued to such person may not exceed the amount of the largest individual license fee.

**History:** **En. Sec. 49, Ch. 570, L. 1983.**

**87-1-607 through 87-1-609 reserved.**

**87-1-610.** *(Temporary)* **Contributions for leasing appropriation rights — general spending authority.** (1) The department may accept contributions from public or private entities for the purpose of leasing appropriation rights to maintain or enhance instream flows for the benefit of fisheries.

(a) Any contributions accepted by the department under this section must be deposited in the fish and wildlife mitigation trust fund established in 87-1-611.

(b) The department shall expend money obtained under this section and deposited in the fish and wildlife mitigation trust fund exclusively to lease existing rights for the purpose of maintaining or enhancing instream flows for fisheries.

(2) The department may also expend other departmental funds to lease existing rights for the purpose of maintaining or enhancing instream flows for fisheries. *(Terminates June 30, 1993—sec. 11, Ch. 658, L. 1989.)*

**History:** **En. Sec. 5, Ch. 658, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 10, Ch. 658, L. 1989, provided that this section is effective May 11, 1989.

**Cross-References**

Water leasing study, 85-2-436.

Board of Natural Resources and Conservation designation of stream reaches eligible for leasing, 85-2-437.

**87-1-611. Fish and wildlife mitigation trust fund created.** (1) There is established, separate and apart from all public money or funds of this state, a fund to be known as the fish and wildlife mitigation trust fund. The fund must be administered by the department.

(2) The fund consists of:

(a) money received under written agreements, contracts, or authorizations with the department made for the purpose of fish and wildlife mitigation or enhancement;

(b) any gift, donation, grant, legacy, bequest, or devise made for the purpose of fish and wildlife mitigation or enhancement;

(c) any interest, earnings, or income of the fund; and

(d) any property or easements acquired through the expenditure of money from the fund.

**History:** **En. Sec. 1, Ch. 445, L. 1987.**

**87-1-612. Purposes of the fish and wildlife mitigation trust fund.** Expenditures may be made from the fish and wildlife mitigation trust fund for fish and wildlife mitigation or enhancement purposes pursuant to the written agreement, contract, authorization, or terms of a gift, donation, grant, legacy, bequest, or devise committing money to the fish and wildlife mitigation trust fund. The specific purposes are those designated in the written agreement, contract, authorization, or terms.

**History:** **En. Sec. 2, Ch. 445, L. 1987.**

**87-1-613. Agreements for use of fund — department as trustee.** (1) The department may enter into agreements with persons or entities committing money to the fish and wildlife mitigation trust fund concerning the purpose and manner of use of the money from the fish and wildlife mitigation trust fund.

(2) The department is the trustee of the fish and wildlife mitigation trust fund and is responsible for its administration and use.

**History:** **En. Sec. 3, Ch. 445, L. 1987.**

**87-1-614. Expenditure of principal and earnings.** The principal and interest, earnings, or income of the fish and wildlife mitigation trust fund shall be expended or retained according to the written agreement, contract, authorization, or terms of the gift, donation, grant, legacy, bequest, or devise committing money to the fish and wildlife mitigation trust fund.

**History:** **En. Sec. 4, Ch. 445, L. 1987.**

**87-1-615. Investment of fish and wildlife mitigation trust fund.** The fish and wildlife mitigation trust fund must be invested and managed by the board of investments as part of the unified investment program in a separate investment fund.

**History:** **En. Sec. 5, Ch. 445, L. 1987.**

## Part 7

## State-Federal Relationships

**Part Cross-References**

Consent to purchase lands for migratory bird reservations — jurisdiction, 2-1-211.

Disposition of fees, 87-1-201, 87-1-601, 87-1-605, 87-2-204, 87-4-602.

Acquisition of lands or waters by the Department, 87-1-209.

Power of Commission to establish wildlife refuges, 87-1-301.

Fish and game refuges, 87-1-305.

**87-1-701. Assent to Dingell-Johnson bill.** The congress of the United States having passed an act which was approved on August 9, 1950, and which is known as Public Law 681-81st Congress, Chapter 658-Second Session, wherein it is, among other things, provided that "no money apportioned under this act to any state, except as hereinafter provided, shall be expended therein until its legislature, or other state agency authorized by the state constitution to make laws governing the conservation of fish, shall have assented to the provisions of this act and shall have passed laws for the conservation of fish, which shall include prohibition against the diversion of license fees paid by fishermen for any other purpose than the administration of said fish, wildlife, and parks department, except that, until the final adjournment of the first regular session of the legislature held after passage of this act, the assent of the governor of the state shall be sufficient", and since the moneys referred to in the act of congress are collected in part from the fishermen of this state and will not be returned to the state of Montana except the state of Montana does assent to this act; now, therefore, the state of Montana does assent to the provisions of said act of congress which is commonly known as the Dingell-Johnson bill, but such assent is with the express reservations enumerated in 87-1-701 through 87-1-703. The state of Montana does not, by the passage of 87-1-701 through 87-1-703 or by the consent herein given, surrender to the congress of the United States or any department of the government of the United States any of those rights which are retained by the people of the state of Montana or the state of Montana and which are guaranteed to them by the 9th and 10th amendments to the constitution of the United States, nor shall 87-1-701 through 87-1-703 in any manner or at all be construed or held to be the state of Montana's consent to amending the constitution of the United States in any manner or at all relative to its rights. The title to all lands acquired under the provisions of 87-1-701 through 87-1-703 for fish restoration and management projects and projects constructed thereon shall be and remain in the state

**History:** En. Sec. 1, Ch. 140, L. 1951; R.C.M. 1947, 26-1401; amd. Sec. 2, Ch. 218, L. 1979.

**87-1-702. Powers of department relating to fish restoration and management.** The department is hereby authorized to perform such acts as may be necessary to the establishment and conduct of fish restoration and management projects as defined and authorized by the act of congress, provided every project initiated under the provisions of the act shall be under the supervision of the department, and no laws or rules or regulations shall be passed, made, or established relating to said fish restoration and management projects except they be in conformity with the laws of the state of Montana or rules promulgated by the department, and the title to all lands acquired or projects created from lands purchased or acquired by deed or gift shall vest in, be, there remain in the state of Montana and shall be operated and maintained by it in accordance with the laws of the state of Montana. The department shall have no power to accept benefits unless the fish restoration and management projects created or established shall wholly and permanently belong to the state of Montana, except as hereinafter provided.

**History:** En. Sec. 2, Ch. 140, L. 1951; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1402.

**Cross-References**
State lands, Title 77.

**87-1-703. Cooperative agreements on federally owned land.** The department, in the name of the state and with the approval of the governor, shall have the power to enter into cooperative agreements on federally owned lands with the government of the United States or any department or bureau thereof or with an individual or individuals, private corporations, or partnerships for the purpose of carrying on any fish restoration projects created and established under the provisions of 87-1-701 through 87-1-703 and shall have the power to acquire by purchase, either by cash or upon installments, or lease or by gift or by devise or individually or in conjunction with the government of the United States or some department or bureau thereof such lands or other property or interest therein as may be necessary for the purpose of carrying on any fish restoration and management projects created and established under the provisions of said Dingell-Johnson bill of the congress of the United States, and the state does reserve to itself, acting through its legislature, the right to direct the department to abandon any fish restoration and management projects created and established as the state may in its judgment think proper. The department shall have no power to exercise the right of eminent domain to condemn or acquire property under 87-1-701 through 87-1-703.

**History:** En. Sec. 3, Ch. 140, L. 1951; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1403; amd. Sec. 5, Ch. 44, L. 1979.

**87-1-704. Federal fish-hatching operations.** The government of the United States, the United States commissioner of fisheries, and its or his duly authorized agent or agents may conduct fish-hatching and all operations connected therewith (in any manner and at any time that may be considered necessary and proper by them) at any United States fish cultural station that may be established by the United States government in the state of Montana.

**History:** En. Sec. 1, Ch. 9, L. 1913; re-en. Sec. 3712, R.C.M. 1921; re-en. Sec. 3712, R.C.M. 1935; amd. Sec. 11, Ch. 9, L. 1977; R.C.M. 1947, 26-330.

**87-1-705. Acquisition of land by United States for migratory bird reservation.** Consent of the state of Montana is given to the acquisition by the United States by purchase, gift, devise, or lease of such areas of land or water or of land and water in sections 31 and 32 in township 28 north of range 22 west; sections 4, 5, 8, 9, 16, 17, 18, 19, and 20 in township 27 north of range 22 west; sections 13, 14, 15, 16, 21, 22, 23, and 24 in township 27 north of range 23 west, in Flathead County, Montana, as the United States may deem necessary for the establishment of a migratory bird reservation in accordance with the act of congress approved February 18, 1929, entitled: "An Act to More Effectively Meet the Obligations of the United States Under the Migratory Bird Treaty with Great Britain by Lessening the Dangers Threatening Migratory Game Birds from Drainage and Other Causes by the Acquisition of Areas of Land and of Water to Furnish in Perpetuity Reservations for the Adequate Protection of Such Birds; and Authorizing Appropriations for the Establishment of Such Areas, Their Maintenance and Improvement and for Other Purposes", reserving, however, to the state of Montana full and complete jurisdiction and authority over all such areas not incompatible with the administration, maintenance, protection, and control thereof by the United States under the terms of said act of congress.

**History:** **En. Sec. 1, Ch. 156, L. 1941; R.C.M. 1947, 26-1108.**

**87-1-706. Regulation of bird reserve in Flathead County.** Upon the acquisition or establishment of any such refuge in Flathead County, state of Montana, the commission, acting under its authority to designate areas as resting, feeding, and breeding grounds for migratory and other species of birds and wild animals, shall in its discretion establish such areas as a state refuge and adopt such regulations not inconsistent with the regulations of the secretary of the United States department of agriculture governing such areas as it may deem necessary for their protection and may enter into cooperative agreements or arrangements with the secretary for the enforcement of the aforesaid act of congress and the regulations of the secretary of agriculture and for the maintenance and administration of such refuge.

**History:** **En. Sec. 2, Ch. 156, L. 1941; R.C.M. 1947, 26-1109.**

**Cross-References**

Game preserves, Title 87, ch. 5, part 4.

**87-1-707. Water supply for the Benton Lake wildlife refuge.** Consent of the state of Montana is given to the acquisition by the United States by purchase, gift, devise, or lease of a canal right-of-way approximately 66 feet in width, together with an area not to exceed 10 acres as a site for a pumping station works, or of land and water within township 22 north, range 1 west; township 23 north, range 2 west; township 23 north, range 1 west; township 23 north, range 1 east; township 23 north, range 2 east, Teton County; township 22 north, range 1 east, Cascade County; and township 23 north, range 3 east, Chouteau County for the transportation of a supplemental water supply for the Benton Lake national wildlife refuge, Cascade County, established by Executive Order No. 5228, November 21, 1929, and as amended by Executive Order No. 2416, July 25, 1940, in accordance with the act of congress approved February 18, 1929, entitled: "An Act to More Effectively Meet the Obligations of the United States Under the Migratory Bird Treaty with Great Britain by Lessening the Dangers Threatening Migratory Game Birds from Drainage and Other Causes by the Acquisition of Areas of Land and of Water to Furnish in Perpetuity Reservations for the Adequate Protection of Such Birds; and Authorizing Appropriations for the Establishment of Such Areas, Their Maintenance and Improvement and for Other Purposes", reserving, however, to the state of Montana full and complete jurisdiction and authority over all such areas not incompatible with the administration, maintenance, protection, and control thereof by the United States under the terms of said act of congress.

**History:** **En. Sec. 1, Ch. 227, L. 1953; R.C.M. 1947, 26-1108.1.**

**Cross-References**

Interference with canal or ditch easements, 70-17-112.

**87-1-708. Assent to Pittman-Robertson Act — authority of department.** (1) The congress of the United States having passed an act which was approved on September 2, 1937, and which is known as 50 Federal Statutes 917 of the acts of congress, wherein it is, among other things, provided that "no money apportioned under this chapter to any state shall be expended therein until its legislature or other state agency authorized by the state constitution to make laws governing the conservation of wildlife shall have assented to the provisions of this chapter and shall have passed laws for the conservation of wildlife, which shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of said department", and since the moneys referred to in the act of congress are collected in part from the hunters of this state and will not be returned to the state of Montana except the state of Montana does assent to the act, now, therefore, the state of Montana does assent to the provisions of said act of congress which is commonly known as the Pittman-Robertson bill, but such assent is with the express reservations enumerated in this section, 87-1-709, and 87-1-710. The state of Montana does not by the passage of these sections or by the consent herein given surrender to the congress of the United States or any department of the government of the United States any of those rights which are retained by the people of the state of Montana or the state of Montana and which are guaranteed to them by the 9th and 10th amendments to the constitution of the United States, nor shall this section, 87-1-709, and 87-1-710 in any manner or at all be construed or held to be the state of Montana's consent to amending the constitution of the United States in any manner or at all relative to its rights. Provided, however, that nothing herein shall be construed as giving consent to the purchase or acquisition of lands by the United States or by any of its departments or officers for establishing migratory bird sanctuaries under the Migratory Bird Conservation Act of the United States or otherwise and that the title to all lands acquired under the provisions of this section, 87-1-709, and 87-1-710 for wildlife projects and projects constructed thereon shall be and remain in the state of Montana.

(2) The department is hereby authorized to perform such acts as may be necessary to the establishment and conduct of wildlife projects as defined and authorized by said act of congress, provided every project initiated under the provisions of this section, 87-1-709, and 87-1-710 shall be under the supervision of the department, and no laws or rules or regulations shall be passed, made, or established governing the game or fur-bearing animals or the taking or capturing of the same in any such projects except they be in conformity with the laws of the state of Montana or rules promulgated by the department. The title to all lands acquired or projects created from lands purchased or acquired by deed or gift shall vest in, be, and remain in the state of Montana and shall be operated and maintained by it in accordance with the laws of the state of Montana. The department shall have no power to accept benefits unless the projects created or established shall wholly and permanently belong to the state of Montana, except as provided in 87-1-709. Nothing contained herein shall prevent the department from entering into cooperative agreements on federally owned lands as provided for herein.

**History: (1)En. Sec. 1, Ch. 167, L. 1941; Sec. 26-1122, R.C.M. 1947; (2)En. Sec. 2, Ch. 167, L. 1941; amd. Sec. 1, Ch. 80, L. 1951; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-1123, R.C.M. 1947; R.C.M. 1947, 26-1122, 26-1123.**

**87-1-709. Cooperation with United States for wildlife restoration.** The department, in the name of the state and with the approval of the governor, shall have the power to enter into the cooperative agreements on federally owned lands with the government of the United States or some department or bureau thereof or with an individual or individuals, private corporations, or partnerships for the purpose of carrying on any wildlife restoration project and established under the provisions of said Pittman-Robertson Act of the congress of the United States and shall have the power to acquire by purchase, either for cash or upon installments, or lease or by gift or devise, either individually or in conjunction with the government of the United States or some department or bureau thereof, such lands or other property or interests therein as may be necessary for the purpose of carrying on any wildlife restoration project created and established under the provisions of said Pittman-Robertson Act of the congress of the United States. The state of Montana does reserve to itself, acting through its legislature, the right to direct the department to abandon any wildlife restoration projects created and established as the state of Montana may in its judgment think proper, provided the department shall have no power to exercise the right of eminent domain to condemn or acquire property under 87-1-708 through 87-1-710.

**History:** **En. Sec. 3, Ch. 167, L. 1941; amd. Sec. 2, Ch. 80, L. 1951; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1124.**

**87-1-710. Use of hunters' license fees for department purposes only.** In accordance with the other requirement of said act of congress, it shall be the law of this state, so long as this assent shall be unrepealed, that no license fees paid by hunters in the state of Montana shall be used or taken for any other purpose than the administration and use of the department.

**History:** **En. Sec. 4, Ch. 167, L. 1941; R.C.M. 1947, 26-1125.**

**87-1-711. Acquisition of land by United States for bison and other big game animals.** Consent of the state of Montana is given to the acquisition by the United States by purchase, gift, devise, or lease of such areas of land or water or of land and water in section 31, township 18 north, range 20 west, Lake County, Montana, and section 36, township 18 north, range 21 west, Sanders County, Montana, excepting the Northern Pacific railway and state of Montana lands within said sections, as the United States may deem necessary for the establishment of an exhibition park for bison and other big game animals, reserving, however, to the state of Montana full and complete jurisdiction and authority over all such areas not incompatible with the administration, maintenance, protection, and control thereof by the United States under the terms of applicable federal regulations.

**History:** **En. Sec. 1, Ch. 209, L. 1953; R.C.M. 1947, 26-1126.**

**87-1-712. Development of national bison range.** Upon the acquisition or establishment of any such park in Lake County and Sanders County, the fish and wildlife service, United States department of the interior, agrees to develop, improve, and maintain the park for the display of such native big game animals as are available on the national bison range.

**History:** **En. Sec. 2, Ch. 209, L. 1953; R.C.M. 1947, 26-1127.**

**87-1-713. Federal waterfowl and wildlife area acquisitions — submission to affected county governing bodies for review.** The governor, the department, or their agents, responsible under federal law for final approval of land, wetland, and water acquisitions in fee by the United States government or its agents for waterfowl protection areas or wildlife refuges, or the United States fish and wildlife service shall submit the proposed acquisitions to the governing body of each county in which all or part of the land, wetland, and water areas are proposed to be located for the governing body's recommendations.

**History: En. Sec. 1, Ch. 309, L. 1979.**

**Cross-References**

Consent to purchase lands for migratory bird reservations, 2-1-211.

**87-1-714. Hearings on proposed waterfowl and wildlife area acquisitions.** (1) The governing body of the county affected by a proposed federal acquisition of land under 87-1-713, the department, and the United States fish and wildlife service shall, within 21 days of receipt of an acquisition proposal, physically inspect the proposed acquisition areas, if the governing body deems such inspection appropriate.

(2) If requested by the governing body, the agencies described in subsection (1) shall hold a joint public hearing on the proposed acquisition and shall give public notice of the date, time, and place of the hearing. The hearing shall be held in the county in which the proposed acquisition is located. The hearing shall be held within 30 days of the governing body's receipt of the acquisition proposal. The notice shall be published once a week for 2 successive weeks in a newspaper of general circulation in each county in which all or part of the proposed acquisition is located. The notice shall include the substance of the proposed action and a legal description of the proposed acquisitions.

**History: En. Sec. 2, Ch. 309, L. 1979.**

# CHAPTER 2

## FISHING, HUNTING, AND TRAPPING LICENSES

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87-2-503. Repealed.
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**Chapter Cross-References**

Discrimination in license issuance prohibited, 49-3-204.

Penalty provisions, 87-1-102.

# Part 1

## General Provisions

**87-2-101. Definitions.** As used in this chapter and chapter 3, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Angling" or "fishing" means the taking of or attempting to take fish by hook and single line or single rod, in hand or within immediate control.

(2) "Closed season" means the time during which game birds, fish, and game and fur-bearing animals may not be lawfully taken.

(3) "Commission" means the state fish and game commission.

(4) "Fur-bearing animals" means marten or sable, otter, muskrat, fisher, mink, bobcat, lynx, wolverine, northern swift fox, and beaver.

(5) "Game animals" means deer, elk, moose, antelope, caribou, mountain sheep, mountain goat, mountain lion, bear, and wild buffalo.

(6) "Game fish" means all species of the family salmonidae (chars, trout, salmon, grayling, and whitefish); all species of the genus stizostedion (sandpike or sauger and walleyed pike or yellowpike perch); all species of the genus esox (northern pike, pickerel, and muskellunge); all species of the genus micropterus (bass); all species of the genus polyodon (paddlefish); all species of the family acipenseridae (sturgeon); all species of the genus lota (burbot or ling); and the species ictalurus punctatus (channel catfish).

(7) "Migratory game birds" means waterfowl, including wild ducks, wild geese, brant, and swans; cranes, including little brown and sandhill; rails, including coots; wilson's snipes or jacksnipes; and mourning doves; however, the open season on mourning doves shall be restricted to the open season on upland game birds as defined in subsection (12) below.

(8) "Nongame wildlife" means any wild mammal, bird, amphibian, reptile, fish, mollusk, crustacean, or other animal not otherwise legally classified by statute or regulation of this state.

(9) "Open season" means the time during which game birds, fish, game and fur-bearing animals may be lawfully taken.

(10) "Person" means individuals, associations, partnerships, and corporations.

(11) "Predatory animals" means coyote, weasel, skunk, and civet cat.

(12) "Upland game birds" means sharptailed grouse, blue grouse, spruce (Franklin) grouse, prairie chicken, sage hen or sage grouse, ruffed grouse, quail, pheasant, Hungarian partridge, ptarmigan, wild turkey, and chukar partridge.

(13) "Wild buffalo" means buffalo or bison which have not been reduced to captivity.

**History: En. Sec. 1, Ch. 238, L. 1921; re-en. Sec. 3681, R.C.M. 1921; amd. Sec. 3, Ch. 77, L. 1923; amd. Sec. 12, Ch. 192, L. 1925; amd. Sec. 6, Ch. 59, L. 1927; re-en. Sec. 3681, R.C.M. 1935; amd. Sec. 1, Ch. 37, L. 1949; amd. Sec. 1, Ch. 36, L. 1951; amd. Sec. 1, Ch. 121, L. 1951; amd. Sec. 1, Ch. 19, L. 1953; amd. Sec. 1, Ch. 34, L. 1959; amd. Sec. 1, Ch. 11, L. 1965; amd. Sec. 1, Ch. 28, L. 1965; amd. Sec. 1, Ch. 46, L. 1971; amd. Sec. 1, Ch. 189, L. 1971; amd. Sec. 1, Ch. 167, L. 1973; amd. Sec. 1, Ch. 27, L. 1974; amd. Sec. 1, Ch. 67, L. 1975; amd. Sec. 1, Ch. 93, L. 1975; amd. Sec. 1, Ch. 113, L. 1975; amd. Sec. 1, Ch. 235, L. 1977; R.C.M. 1947, 26-201; amd. Sec. 6, Ch. 44, L. 1979; amd. Sec. 1, Ch. 46, L. 1979; amd. Sec. 1, Ch. 478, L. 1979; amd. Sec. 1, Ch. 420, L. 1983; amd. Sec. 1, Ch. 568, L. 1985.**

**Cross-References**

Fixing of seasons and limits on game, birds, fish, or fur-bearing animals, 87-1-304.

Unlawful for "person" to conduct contest based on size of game animals, 87-3-307.

Closed season on certain game birds, 87-3-402, 87-3-403.

**87-2-102. Resident defined.** In determining a resident for the purpose of issuing resident fishing, hunting, and trapping licenses, the following provisions shall apply:

(1) Members of the armed forces of the United States or members of the armed forces of foreign governments attached to the armed forces of the United States who are assigned to duty in Montana and their dependents who reside in their Montana household with them, after a period of 30 days within Montana, upon presenting assignment orders emanating from the proper unit commander, shall be considered residents for the purpose of this chapter. The 30-day residence requirement is waived in time of war.

(2) Any person who has been a resident of the state of Montana, as defined in 1-1-215, for a period of 6 months immediately prior to making application for said license shall be eligible to receive a resident hunting, fishing, or trapping license.

(3) Any enrollee of a job corps camp located within the state of Montana shall, after a period of 30 days within Montana, be considered a resident for the purpose of making application for a fishing license as long as he remains an enrollee in a Montana camp.

(4) A person meeting all of the following requirements is a resident for purposes of obtaining hunting and fishing licenses:

(a) The person's principal employment is within this state and the income from this employment is the principal source of the applicant's family income.

(b) The person is required to pay and has paid Montana income tax in a timely manner and proper amount.

(c) The person has been employed within this state on a full-time basis for at least 12 consecutive months immediately preceding each application.

(d) The person's state of residency has laws substantially similar to this subsection (4).

**History: En. Sec. 3, Ch. 267, L. 1955; amd. Sec. 1, Ch. 106, L. 1959; amd. Sec. 1, Ch. 72, L. 1961; amd. Sec. 1, Ch. 28, L. 1963; amd. Sec. 1, Ch. 33, L. 1967; amd. Sec. 1, Ch. 37, L. 1967; amd. Sec. 1, Ch. 283, L. 1973; R.C.M. 1947, 26-202.3; amd. Sec. 2, Ch. 478, L. 1979; amd. Sec. 1, Ch. 494, L. 1983; amd. Sec. 1, Ch. 322, L. 1985.**

**Cross-References**

Eligibility of "resident" for Montana State Golden Years Pass, 23-1-105.

Resident Montana hunting or fishing license, 37-47-101.

Application for license, 87-2-106.

**87-2-103. License required.** It is unlawful for any person to:

(1) pursue, hunt, trap, take, shoot, or kill or attempt to trap, take, shoot, or kill any game animal, any game bird, or any fur-bearing animal or take, kill, trap, or fish for any fish within this state or have, keep, or possess within this state any game animal, game bird, fur-bearing animal, game fish, or parts thereof, except as herein provided or as provided by the department; or

(2) pursue, hunt, trap, take, shoot, or kill or attempt to trap, take, shoot, or kill any game animal, game bird, or fur-bearing animal or take, kill, trap, or fish for any fish, except at the places and during the periods and in the manner herein defined or as defined by the department; or

(3) pursue, hunt, trap, take, shoot, or kill or attempt to trap, take, shoot, or kill any game animal, game bird, or fur-bearing animal or take, kill, trap, or fish for any fish within this state or have, keep, possess, sell, purchase, ship, or reship any imported or other fur-bearing animal or parts thereof without first having obtained a proper license or permit from the department to do so; or

(4) trap or snare or attempt to trap or snare predatory animals or nongame wildlife without a license as prescribed in 87-2-603 if that person is not a resident as defined in 87-2-102.

**History: En. Sec. 2, Ch. 238, L. 1921; re-en. Sec. 3682, R.C.M. 1921; amd. Sec. 13, Ch. 192, L. 1925; amd. Sec. 7, Ch. 59, L. 1927; amd. Sec. 3, Ch. 224, L. 1947; amd. Sec. 27, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202; amd. Sec. 1, Ch. 255, L. 1979.**

**Cross-References**

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Waste of fish or game or furbearers, 87-3-102, 87-3-506.

Limit on number of game animals, 87-3-103.

Unlawful to hunt or fish during closed season, 87-3-104, 87-3-402.

Unlawful to buy, sell, possess, or transport certain wildlife, 87-3-111, 87-3-112, 87-4-705, 87-5-201.

Taking of furbearers out of season, 87-3-501.

Sale of fish or spawn unlawful, 87-4-601.

**87-2-104. Number of licenses allowed — fees.** (1) It is unlawful for any person to apply for, purchase, or possess more than one license of any one class or more than one special license for any one species listed in 87-2-701. This provision does not apply to Class B-4 licenses or to licenses issued under subsection (3) for game management purposes. However, when more than one license is authorized by the commission, it is unlawful to apply for, purchase, or possess more licenses than are authorized.

(2) The department may prescribe rules and regulations for the issuance or sale of a replacement license in the event the original license is lost, stolen, or destroyed upon payment of a fee not to exceed $5.

(3) When authorized by the commission for game management purposes, the department may issue more than one Class A-3, Class A-4, Class B-7, Class B-8, or special antelope license to an applicant. An applicant for these game management licenses is not at the time of application required to hold any license or permit of that class.

(4) The fee for any resident or nonresident license of any class issued under subsection (3) must be set annually by the department and may not exceed the regular fee provided by law for that class or species.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(17); amd. Sec. 1, Ch. 99, L. 1979; amd. Sec. 1, Ch. 554, L. 1981; amd. Sec. 2, Ch. 494, L. 1983; amd. Sec. 1, Ch. 237, L. 1987; amd. Sec. 2, Ch. 431, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) substituted language prohibiting a person from applying for, obtaining, or possessing more than one license of a class unless authorized by the Fish and Game Commission for "Except as authorized by the commission and except for class B-4 licenses, only one license of any one class shall be issued to any one person"; in (2), after "replacement license", deleted "of the same class" and at end substituted "a fee not to exceed $5" for "the original price of the lost, stolen, or destroyed license, not to exceed $5"; and in (4) substituted reference to subsection (3) for reference to subsection (2) and at end inserted "or species". Amendment effective April 4, 1989.

**Cross-References**

When number may be restricted, 87-1-304.
Limit on Class B-10 license, 87-2-505.
Restrictions on hunting licenses, 87-2-506.

**87-2-105. Safety instruction required.** (1) No hunting license may be issued to any resident person under the age of 18 years unless he presents to the person authorized to issue such license a certificate of competency as provided by this section.

(2) No hunting license may be issued to any nonresident person under the age of 18 years unless he presents to the person authorized to issue such license a certificate of competency as provided in this section or a certificate verifying that he has successfully completed a course in the safe handling of firearms in any state or province.

(3) No bow and arrow license may be issued to any resident or nonresident person under the age of 18 years unless he presents to the person authorized to issue such license a certificate of competency in the safe handling of bow hunting tackle, in addition to the certificate of competency in the safe handling of firearms.

(4) The department shall provide for a course of instruction in the safe handling of firearms and for that purpose may cooperate with any reputable organization having as one of its objectives the promotion of safety in the

handling of firearms. The department may designate as an instructor any person it finds to be competent to give instructions in the handling of firearms. A person so appointed shall give such course of instruction and shall issue a certificate of competency in the safe handling of firearms to any person successfully completing the course.

(5) The department shall provide for a course of instruction in the safe handling of bow hunting tackle and for that purpose may cooperate with any reputable organization having as one of its objectives the promotion of safety in the handling of bow hunting tackle. The department may designate as an instructor any person it finds to be competent to give instructions in the handling of bow hunting tackle. A person so appointed shall give such course of instruction and shall issue a certificate of competency in the safe handling of bow hunting tackle to any person successfully completing the course.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(2)(a), (part(6)); amd. Sec. 1, Ch. 210, L. 1987.**

**Cross-References**

Rights of persons not adults, Art. II, sec. 15, Mont. Const.

**87-2-106. Application for license.** (1) A license may be procured from the director, any warden, or any authorized agent of the director. The applicant shall state his name, age, occupation, place of residence, post-office address, the length of time in the state of Montana, whether a citizen of the United States or an alien, and such other facts, data, or descriptions as may be required by the department. Except as provided in subsections (2) through (4), the statements made by the applicant shall be subscribed to before the officer or agent issuing the license.

(2) Except as provided in subsection (3), department employees or officers may issue licenses by mail. Statements on an application for a license to be issued by mail need not be subscribed to before the employee or officer.

(3) To apply for a license under the provisions of 87-2-102(4), the applicant must apply to the director and must submit at the time of application a notarized affidavit that attests to fulfillment of the requirements of 87-2-102(4). The director shall process the application in an expedient manner.

(4) A resident may apply for and purchase a wildlife conservation license, hunting license, or fishing license for his spouse, parent, child, brother, or sister who is otherwise qualified to obtain such license.

(5) A license is void unless subscribed to by the licensee and by an employee or officer of the department or by a license agent or an authorized representative of the license agent.

(6) It is unlawful to subscribe to any statement, on any application or license, that is materially false. Any material false statement contained in an application renders the license issued pursuant to it void. Any person violating any provision of this statute is guilty of a misdemeanor.

(7) The department may bring an action to prosecute a violation of this section within 3 years of the date of application for licensure.

**History:** En. Sec. 4, Ch. 238, L. 1921; re-en. Sec. 3684, R.C.M. 1921; amd. Sec. 1, Ch. 84, L. 1947; amd. Sec. 1, Ch. 157, L. 1969; amd. Sec. 5, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-204; amd. Sec. 3, Ch. 494, L. 1983; amd. Sec. 2, Ch. 322, L. 1985; amd. Sec. 1, Ch. 106, L. 1987; amd. Sec. 80, Ch. 83, L. 1989; amd. Sec. 2, Ch. 416, L. 1989.

**Compiler's Comments**

*1989 Amendments:* Chapter 83 in (4), after "hunting license", substituted "or fishing license" for "and fishing license" and at end changed "licenses" to "license".

Chapter 416 inserted (7) relating to prosecution of license application violation within 3 years. Amendment effective April 3, 1989.

**Cross-References**

Resident defined, 87-2-102.

Falsifying application for wildlife conservation license, 87-2-205.

**87-2-107. License form.** The form of the license shall be determined and the license blanks prepared by the department and furnished by it to the officers and persons authorized to issue the same. Said licenses shall be issued in the name of the department and be countersigned by the officer or person issuing the same. Each license issued shall be signed by the licensee in ink or indelible pencil on the face thereof.

**History:** En. Sec. 8, Ch. 238, L. 1921; re-en. Sec. 3688, R.C.M. 1921; re-en. Sec. 3688, R.C.M. 1935; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-212.

**87-2-108. Repealed.** Sec. 20, Ch. 478, L. 1979.

**History:** En. Sec. 1, Ch. 165, L. 1967; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-212.1; amd. Sec. 2, Ch. 218, L. 1979.

**87-2-109. Carrying and exhibiting license.** (1) It is unlawful for any person to whom a license or permit has been issued to fish for or take any fish or pursue, hunt, shoot, kill, or take any game bird or game animal or attempt to trap, trap, or take any fur-bearing animal in this state unless he has the license, licenses, or permit in his possession at the time.

(2) It is unlawful to refuse to exhibit a license or permit for inspection to a warden or other officer requesting to see it.

**History:** En. Sec. 9, Ch. 238, L. 1921; re-en. Sec. 3689, R.C.M. 1921; amd. Sec. 10, Ch. 59, L. 1927; re-en. Sec. 3689, R.C.M. 1935; amd. Sec. 4, Ch. 224, L. 1947; amd. Sec. 24, Ch. 511, L. 1973; amd. Sec. 29, Ch. 9, L. 1977; R.C.M. 1947, 26-213.

**Cross-References**

License check stations, 87-1-207.

Duty of Wardens to check licenses, 87-1-502.

**87-2-110. Alteration or transfer of license.** No person may at any time alter or change in any material manner or loan or transfer to another any license, nor may any person other than the person to whom it is issued use it.

**History:** En. Sec. 12, Ch. 238, L. 1921; re-en. Sec. 3692, R.C.M. 1921; re-en. Sec. 3692, R.C.M. 1935; amd. Sec. 1, Ch. 149, L. 1955; amd. Sec. 7, Ch. 9, L. 1977; R.C.M. 1947, 26-217.

**87-2-111. Termination of license.** Such licenses shall be void after the last day of February next succeeding their issuance, except that trapping licenses as described in part 6 of this chapter shall be void after June 30 next succeeding their issuance.

**History:** En. Sec. 10, Ch. 238, L. 1921; re-en. Sec. 3690, R.C.M. 1921; re-en. Sec. 3690, R.C.M. 1935; R.C.M. 1947, 26-214; amd. Sec. 4, Ch. 494, L. 1983; amd. Sec. 2, Ch. 304, L. 1985.

**87-2-112. Forfeiture of license or permit for littering.** Any holder of a Montana resident or nonresident fishing or hunting license or camping permit convicted of littering campgrounds, public or private lands, streams, or lakes while hunting, fishing, or camping shall forfeit his license and privilege to hunt, fish, camp, or trap within Montana for a period of 1 year from the date of conviction.

**History:** En. Sec. 1, Ch. 43, L. 1971; amd. Sec. 2, Ch. 480, L. 1973; amd. Sec. 4, Ch. 465, L. 1977; R.C.M. 1947, 26-812.

**Cross-References**

Montana State Golden Years Pass — camping permit, 23-1-105.

Revocation of exception to license requirement, 87-2-804.

**87-2-113. Drawing fee.** (1) When the department determines a drawing is necessary prior to issuance of hunting licenses for any game species during a hunting season, it shall collect a $2 per species drawing fee with each application submitted.

(2) This fee must be deposited in the state special revenue fund to the credit of the department as set forth in 87-1-601.

(3) The payment of a drawing fee confers no hunting rights or privileges.

(4) The commission may waive the provisions of subsection (1) when a drawing is required for a special season under 87-1-304.

**History:** En. Sec. 14, Ch. 554, L. 1981; amd. Sec. 1, Ch. 277, L. 1983.

## Part 2

## Wildlife Conservation License

**87-2-201. Wildlife conservation license prerequisite for other licenses.** Except as provided in 87-2-803(5), it is unlawful for any person or persons to purchase any hunting, fishing, or trapping license without first having obtained a wildlife conservation license as hereinafter provided.

**History:** En. Sec. 1, Ch. 172, L. 1969; R.C.M. 1947, 26-229; amd. Sec. 1, Ch. 41, L. 1989.

**Compiler's Comments**

*1989 Amendment:* At beginning inserted exception clause; and made minor change in style. Amendment effective February 24, 1989.

**87-2-202. Application — stamp attachment — fee — expiration.** (1) A wildlife conservation license shall be sold upon written application. The application shall contain the applicant's name, age, occupation, place of residence, post-office address, and length of time in the state of Montana; state whether the applicant is a citizen of the United States or an alien; and be subscribed by the applicant. The applicant shall present a driver's license or other identification to substantiate the information.

(2) Hunting, fishing, or trapping licenses in the form of tags or stamps issued to a holder of a wildlife conservation license must be affixed to or recorded on the wildlife conservation license according to such rules as the department may prescribe.

(3) Resident and nonresident wildlife conservation licenses may be purchased for a fee of $2.

(4) Licenses issued shall be void after the last day of February next succeeding their issuance.

**History: En. Sec. 2, Ch. 172, L. 1969; amd. Sec. 2, Ch. 289, L. 1975; amd. Sec. 8, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-230; amd. Sec. 2, Ch. 554, L. 1981; amd. Sec. 5, Ch. 494, L. 1983.**

**Cross-References**

Nonresident conservation license included in Class B-10 nonresident big game combination license, 87-2-505.

Resident conservation license included in Class AAA sportsman's license, 87-2-711.

**87-2-203. Unlawful sales of licenses.** It shall be unlawful for any license agent to sell any hunting, fishing, or trapping license to any person who does not present his wildlife conservation license at the time of application for such licenses.

**History: En. Sec. 3, Ch. 172, L. 1969; R.C.M. 1947, 26-231.**

**87-2-204. Disposition of wildlife conservation license fees.** The fees from the wildlife conservation license shall be delivered to the state treasurer and deposited by him in the state special revenue fund to the credit of the department in accordance with the provisions of 87-1-601.

**History: En. Sec. 5, Ch. 172, L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-233; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Disposition of fees, 87-1-201, 87-1-601, 87-1-605, 87-1-701, 87-1-708, 87-1-710.

**87-2-205. False statement in license application.** It is unlawful to subscribe to any false statement in an application for a wildlife conservation license.

**History: En. Sec. 4, Ch. 172, L. 1969; amd. Sec. 31, Ch. 9, L. 1977; R.C.M. 1947, 26-232.**

## Part 3

## Fishing Licenses

**Part Cross-References**

Use of certain fishing license fees to purchase recreational facilities, 87-1-605.

**87-2-301. Class A—resident fishing license.** Any resident, as defined by 87-2-102, upon payment of a fee of $9.50, shall receive a Class A license which shall entitle the holder thereof to fish with hook and line or rod as authorized by regulations of the department.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(1); amd. Sec. 3, Ch. 554, L. 1981; amd. Sec. 1, Ch. 680, L. 1983; amd. Sec. 1, Ch. 255, L. 1985; amd. Sec. 6, Ch. 601, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Changed "$9" to "$9.50". Amendment effective July 1, 1989.

*Applicability:* Section 11, Ch. 601, L. 1989, provided that this section applies to licenses for fishing seasons that begin on or after March 1, 1990.

**Cross-References**

River restoration program, 87-1-255 through 87-1-259.

**87-2-302. Class B—nonresident fishing license.** Any person not a resident, as defined in 87-2-102, upon payment of the sum of $36 to any agent of the department authorized to issue fishing and hunting licenses, shall be entitled to a Class B license which shall entitle the holder thereof to fish with hook and line as authorized by the rules and regulations of the department.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(5); amd. Sec. 4, Ch. 554, L. 1981; amd. Sec. 2, Ch. 255, L. 1985; amd. Sec. 7, Ch. 601, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Changed "$35" to "$36". Amendment effective July 1, 1989.

*Applicability:* Section 11, Ch. 601, L. 1989, provided that this section applies to licenses for fishing seasons that begin on or after March 1, 1990.

**Cross-References**

River restoration program, 87-1-255 through 87-1-259.

**87-2-303. Repealed.** Sec. 16(2), Ch. 554, L. 1981.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(8).**

**87-2-304. Class B-4—two-day nonresident fishing license.** Any person not a resident, as defined in 87-2-102, who is a holder of a valid wildlife conservation license, upon payment of the sum of $8 to any agent of the department authorized to issue fishing and hunting licenses, shall be entitled to a 2-day nonresident fishing license which shall authorize the holder to fish with hook and line, as prescribed by rules and regulations of the department, for 2 calendar days as indicated on the license.

**History: En. Sec. 1, Ch. 117, L. 1969; amd. Sec. 2, Ch. 408, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.6; amd. Sec. 5, Ch. 554, L. 1981; amd. Sec. 2, Ch. 680, L. 1983; amd. Sec. 3, Ch. 255, L. 1985.**

**87-2-305. Navigable waters subject to fishing rights.** Navigable rivers, sloughs, or streams between the lines of ordinary high water thereof of the state of Montana and all rivers, sloughs, and streams flowing through any public lands of the state shall hereafter be public waters for the purpose of angling, and any rights of title to such streams or the land between the high water flow lines or within the meander lines of navigable streams shall be subject to the right of any person owning an angler's license of this state who desires to angle therein or along their banks to go upon the same for such purpose.

**History: En. Sec. 3, Ch. 95, L. 1933; re-en. Sec. 3717.3, R.C.M. 1935; R.C.M. 1947, 26-338.**

**Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

Owner of land bounded by water, 70-16-201.

Title by prescription, 70-19-405.

Public ways, 85-1-111.

Navigable waters, 85-1-112.

Adjudication of water rights, Title 85, ch. 2, part 2.

**87-2-306. Paddlefish tags.** The department may issue paddlefish tags to holders of valid Class A, Class B, and Class B-4 fishing licenses for a fee of $3 for residents and $10 for nonresidents. Each tag authorizes the holder to fish with hook and line for paddlefish as prescribed by rules of the department.

**History: En. Sec. 6, Ch. 554, L. 1981; amd. Sec. 4, Ch. 255, L. 1985.**

## Part 4

## Game Bird Licenses

**Part Cross-References**

Seasonal rules adopted annually, 2-4-102.

Powers and duties of Department of Fish, Wildlife, and Parks, 87-1-201.

Posting and publication of orders, rules, and regulations, 87-1-202.

**87-2-401. Class A-1—resident upland game bird license.** Except as otherwise provided, a resident, as defined by 87-2-102, who is 12 years of age or older may, upon payment of a fee of $6, receive a Class A-1 license which will entitle the holder to pursue, hunt, shoot, and kill upland game birds, cranes, rails, snipes, and mourning doves and possess the carcasses of upland game birds, cranes, rails, snipes, and mourning doves as authorized by department rules.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(part(2)); amd. Sec. 3, Ch. 478, L. 1979; amd. Sec. 1, Ch. 105, L. 1987; amd. Sec. 5, Ch. 636, L. 1987.**

**Cross-References**

Portion of fee to fund pheasant enhancement program, 87-1-246.

**87-2-402. Class B-1—nonresident upland game bird license.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who is 12 years of age or older, upon payment of a fee of $53 may receive a Class B-1 license which shall entitle the holder thereof to pursue, hunt, shoot, and kill upland game birds, cranes, rails, snipes, and mourning doves and possess the carcasses of upland game birds, cranes, rails, snipes, and mourning doves as authorized by department rules.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec.**

**1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(part(6)); amd. Sec. 4, Ch. 478, L. 1979; amd. Sec. 2, Ch. 105, L. 1987; amd. Sec. 6, Ch. 636, L. 1987.**

**87-2-403.** *(Temporary)* **Wild turkey tags and fee.** (1) The department may issue wild turkey tags to the holder of a valid Class A-1 or Class B-1 license or as set out in subsection (3). Each tag shall entitle the holder to pursue, hunt, shoot, and kill one wild turkey and possess the carcass thereof, during such times and such places as the department shall authorize an open season on wild turkey.

(2) The fee for a wild turkey tag is $3 for residents and $13 for nonresidents. Turkey tags shall be issued either by a drawing system or in unlimited number as authorized by department rules.

(3) Subject to the provisions of subsection (2), a person who is 62 years of age or older as provided in 87-2-801, certified as disabled under 87-2-803, or a resident minor as described in 87-2-805 may purchase a wild turkey tag upon presentation of his wildlife conservation license. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-403.** *(Effective March 1, 1994)* **Wild turkey tags and fee.** (1) The department may issue wild turkey tags to the holder of a valid Class A-1 or Class B-1 license or as set out in subsection (3). Each tag shall entitle the holder to pursue, hunt, shoot, and kill one wild turkey and possess the carcass thereof, during such times and such places as the department shall authorize an open season on wild turkey.

(2) The fee for a wild turkey tag shall be $3. Turkey tags shall be issued either by a drawing system or in unlimited number as authorized by department rules.

(3) Subject to the provisions of subsection (2), a person who is 62 years of age or older as provided in 87-2-801, certified as disabled under 87-2-803, or a resident minor as described in 87-2-805 may purchase a wild turkey tag upon presentation of his wildlife conservation license.

**History: En. Sec. 1, Ch. 35, L. 1959; amd. Sec. 3, Ch. 148, L. 1963; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-510; amd. Sec. 5, Ch. 478, L. 1979; amd. Sec. 7, Ch. 554, L. 1981; amd. Sec. 3, Ch. 304, L. 1985; amd. Sec. 3, Ch. 598, L. 1987.**

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

Fixing of seasons and bag and possession limits, 87-1-304, 87-3-402.

Tagging turkeys, 87-3-404, 87-3-405.

**87-2-404 through 87-2-410 reserved.**

**87-2-411. Stamp required to hunt waterfowl.** (1) It is unlawful for any person 15 years of age or older to pursue, hunt, shoot, or kill waterfowl without first having obtained a valid waterfowl stamp from the department. The fee for such stamp is $5.

(2) For the purpose of this section, the term "waterfowl" means wild ducks, wild geese, brant, and swans.

**History: En. Sec. 1, Ch. 609, L. 1985; amd. Sec. 1, Ch. 431, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) reduced age limit of persons who must obtain a waterfowl stamp to hunt waterfowl from 16 years to 15 years. Amendment effective April 4, 1989.

**87-2-412. Procurement and sale of artwork for waterfowl stamp — disposition of proceeds.** (1) The department shall contract with an art publisher for the selection, by contest or other method, of a design for the annual waterfowl stamp required by 87-2-411 and for the production of the stamp and related artwork. The contract must provide that only designs submitted by Montana artists may be selected. The department shall provide for the sale of stamps exclusively by the department or its license agents, but may make such other arrangements for the sale of related artwork as it determines appropriate. The procurement and sale of the stamps and artwork are exempt from the provisions of Title 18, chapter 4, part 3.

(2) Money received from the sale of stamps and related artwork must be deposited in the state special revenue fund for the use of the department and may be expended only for the protection, conservation, and development of wetlands in Montana.

**History: En. Sec. 2, Ch. 609, L. 1985.**

**Cross-References**

Wetlands Protection Advisory Council to review use of money received under this section, 2-15-3405.

Aquatic ecosystem protections, Title 75, ch. 7.

## Part 5

## Game Animal Licenses

**Part Cross-References**

Seasonal rules adopted annually, 2-4-102.

Powers and duties of Department of Fish, Wildlife, and Parks, 87-1-201.

Posting and publication of orders, rules, and regulations, 87-1-202.

**87-2-501.** *(Temporary)* **Class A-3, A-4, A-5, A-6, A-7—resident deer, elk, and bear licenses — special Class A-7 license requirements and preference.** (1) Except as otherwise provided in this chapter, a resident, as defined by 87-2-102, who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of the proper fee or fees, be entitled to purchase one each of the following licenses at the prescribed cost which will entitle the holder to pursue, hunt, shoot, and kill the game animal or animals authorized by the license held and to possess the carcasses of those game animals as authorized by department rules:

(a) Class A-3, deer A tag, $9;
(b) Class A-4, deer B tag, $6;
(c) Class A-5, elk tag, $10;
(d) Class A-6, black or brown bear tag, $8;
(e) Class A-7, antlerless elk tag, $10.

(2) The holder of a Class A-7 antlerless elk license is entitled to take surplus antlerless elk in areas designated by the commission and at such times and upon such terms as set forth by the commission but may not simultaneously possess a Class A-5 and a Class A-7 license in the same year. The commission shall include in the terms of issuance of the Class A-7 license a requirement for surrender of a current Class A-5 license if held by a person at the time he purchases a Class A-7 license. If a current Class A-5 license

is surrendered, as required by this section, the Class A-7 license must be issued without cost to the holder. No person may take more than one elk during any license year, and a person holding a Class A-7 antlerless elk tag may not take an elk during the same license year with a Class A-5 elk tag.

(3) Subject to the limitation of subsection (5), a person who holds fee title to 640 acres or more of contiguous land, at least some of which is used by elk, in a hunting district where Class A-7 licenses are awarded under this section shall be issued, upon application, a Class A-7 license.

(4) An applicant who receives a Class A-7 license under subsection (3) may designate that the license be issued to an immediate family member or a person employed by the landowner. A corporation owning qualifying land under subsection (3) may designate one of its shareholders to receive the license.

(5) Fifteen percent of the Class A-7 licenses available each year under this section in a hunting district must be available to landowners under subsection (3).

**87-2-501.** *(Effective March 1, 1990)* **Class A-3, A-4, A-5, A-6, A-7— resident deer, elk, and bear licenses — special Class A-7 resident and nonresident license requirements and preference.** (1) Except as otherwise provided in this chapter, a resident, as defined by 87-2-102, or a nonresident who wishes to purchase a Class A-7 elk license only, who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of the proper fee or fees, be entitled to purchase one each of the following licenses at the prescribed cost which will entitle the holder to pursue, hunt, shoot, and kill the game animal or animals authorized by the license held and to possess the carcasses of those game animals as authorized by department rules:

(a) Class A-3, deer A tag, $9;
(b) Class A-4, deer B tag, $6;
(c) Class A-5, elk tag, $10;
(d) Class A-6, black or brown bear tag, $8;
(e) Class A-7, antlerless elk tag, $10.

(2) (a) The holder of a Class A-7 antlerless elk license is entitled to take antlerless elk in areas designated by the commission and at such times and upon such terms as set forth by the commission.

(b) No person may take more than one elk during any license year, and a person holding a Class A-7 antlerless elk tag may not take an elk during the same license year with a Class A-5 license or nonresident elk tag. The use of Class A-7 antlerless elk licenses does not preclude the department's use of special elk permits.

(c) A nonresident shall hold a nonresident Class B-10 license as a prerequisite to application for a Class A-7 license.

(3) Subject to the limitation of subsection (5), a person who holds fee title to 640 acres or more of contiguous land, at least some of which is used by elk, in a hunting district where Class A-7 licenses are awarded under this section shall be issued, upon application, a Class A-7 license.

(4) An applicant who receives a Class A-7 license under subsection (3) may designate that the license be issued to an immediate family member or a person employed by the landowner. A corporation owning qualifying land

under subsection (3) may designate one of its shareholders to receive the license.

(5) Fifteen percent of the Class A-7 licenses available each year under this section in a hunting district must be available to landowners under subsection (3).

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(4); amd. Sec. 6, Ch. 478, L. 1979; amd. Sec. 8, Ch. 554, L. 1981; amd. Sec. 3, Ch. 680, L. 1983; amd. Sec. 1, Ch. 331, L. 1985; amd. Sec. 2, Ch. 623, L. 1987; amd. Sec. 1, Ch. 296, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Near beginning of (1), after "87-2-102", inserted "or a nonresident who wishes to purchase a Class A-7 elk license only"; near beginning of (2)(a), after "to take", deleted "surplus" and at end, after "commission", deleted "but may not simultaneously possess a Class A-5 and a Class A-7 license in the same year. The commission shall include in the terms of issuance of the Class A-7 license a requirement for surrender of a current Class A-5 license if held by a person at the time he purchases a Class A-7 license. If a current Class A-5 license is surrendered, as required by this section, the Class A-7 license must be issued without cost to the holder"; near end of first sentence of (2)(b), after "Class A-5", inserted "license or nonresident" and inserted second sentence relating to Department's use of special elk permits; and inserted (2)(c) that read: "(c) A nonresident shall hold a nonresident Class B-10 license as a prerequisite to application for a Class A-7 license." Amendment effective March 1, 1990.

*Delayed Effective Date:* Section 3, Ch. 296, L. 1989, provided: "[This act] is effective March 1, 1990."

**87-2-502. Repealed.** Sec. 20, Ch. 478, L. 1979.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(9).**

**87-2-503. Repealed.** Sec. 20, Ch. 478, L. 1979.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(10).**

**87-2-504.** *(Temporary)* **Class B-7 and B-8—nonresident deer licenses.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued and is a holder of a nonresident conservation license may, upon payment of the proper fee or fees and subject to the limitations prescribed by law and department regulation, be entitled to apply to the fish and game office, Helena, Montana, to purchase one each of the following licenses: Class B-7, deer A tag, $150; Class B-8, deer B tag, $50; and will entitle the holder to pursue, hunt, shoot, and kill the game animal or animals authorized by the license held and to possess the carcasses of those animals as authorized by department rules. Unless purchased as part of a B-10 or B-11 license, a Class B-7 license must be assigned for use in a specific administrative region or portion thereof. If purchased as part of a Class B-11 license, the Class B-7 license is valid throughout the state. Not more than 5,000 Class B-7 licenses may be sold in any license year. Money received from the sale of Class B-7 licenses in excess of 1,700 must be used as provided in 87-1-242(1). *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-504.** *(Effective March 1, 1994)* **Class B-7 and B-8—nonresident deer licenses.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued and is a holder of a nonresident conservation license may, upon payment of the proper fee or fees and subject to the limitations prescribed by law and department regulation, be entitled to apply to the fish and game office, Helena, Montana, to purchase one each of the following licenses: Class B-7, deer A tag, $100; Class B-8, deer B tag, $50; and will entitle the holder to pursue, hunt, shoot, and kill the game animal or animals authorized by the license held and to possess the carcasses of those animals as authorized by department rules. Unless purchased as part of a B-10 or B-11 license, a Class B-7 license must be assigned for use in a specific administrative region or portion thereof. If purchased as part of a Class B-11 license, the Class B-7 license is valid throughout the state.

**History:** En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(11); amd. Sec. 7, Ch. 478, L. 1979; amd. Sec. 3, Ch. 458, L. 1987; amd. Sec. 4, Ch. 598, L. 1987.

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

Prerequisite license, 87-2-201.

**87-2-505.** *(Temporary)* **Class B-10—nonresident big game combination license.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of the fee of $450 and subject to the limitations prescribed by law and department regulation, apply to the fish and game office, Helena, Montana, to purchase a B-10 nonresident big game combination license which shall entitle the holder to all the privileges of Class B, Class B-1, Class B-7, and black bear licenses, and an elk tag. This license includes the nonresident conservation license as prescribed in 87-2-202. Not more than 17,000 Class B-10 licenses may be sold in any one license year. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-505.** *(Effective March 1, 1994)* **Class B-10—nonresident big game combination license.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of the fee of $373 and subject to the limitations prescribed by law and department regulation, apply to the fish and game office, Helena, Montana, to purchase a B-10 nonresident big game combination license which shall entitle the holder to all the privileges of Class B, Class B-1, Class B-7, and black bear licenses, and an elk tag. This license includes the nonresident conservation license as prescribed in 87-2-202. Not more than 17,000 Class B-10 licenses may be sold in any one license year.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(12); amd. Sec. 8, Ch. 478, L. 1979; amd. Sec. 9, Ch. 554, L. 1981; amd. Sec. 4, Ch. 680, L. 1983; amd. Sec. 5, Ch. 255, L. 1985; amd. Sec. 5, Ch. 598, L. 1987; amd. Sec. 7, Ch. 636, L. 1987.**

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

Portion of fee to fund pheasant enhancement program, 87-1-246.

Restriction on number, 87-1-304, 87-2-104.

**87-2-506. Restrictions on hunting licenses.** (1) The department may prescribe by rule the number of hunting licenses to be issued. Any license sold may be restricted to a specific administrative region, hunting district, or other designated area and may specify the species, age, and sex to be taken and the time period for which the license is valid.

(2) When the number of valid resident applications for big game licenses or permits of a single class or type exceeds the number of licenses or permits the department desires to issue in an administrative region, hunting district, or other designated area, then the number of big game licenses or permits issued to nonresident license or permit holders in the region, district, or area may not exceed 10% of the total issued.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(f); amd. Sec. 9, Ch. 478, L. 1979; amd. Sec. 4, Ch. 304, L. 1985.**

**Cross-References**

Fixing of seasons and bag and possession limits, 87-1-304.

Number of licenses allowed, 87-2-104.

**87-2-507.** *(Temporary)* **Class D-1—nonresident mountain lion license.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who is 12 years of age or older, upon payment of a fee of $320 may receive a Class D-1 license which shall entitle the holder thereof to pursue, hunt, shoot, and kill mountain lion and possess the carcass thereof as authorized by department rules. If a holder of a valid mountain lion license under this section kills a mountain lion, he must purchase a trophy license for a fee of $50 within 10 days after the date of kill. The trophy license authorizes the holder to possess and transport such trophy. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-507.** *(Effective March 1, 1994)* **Class D-1—nonresident mountain lion license.** Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who is 12 years of age or older, upon payment of a fee of $300 may receive a Class D-1 license which shall entitle the holder thereof to pursue, hunt, shoot, and kill mountain lion and possess the carcass thereof as authorized by department rules. If a holder of a valid mountain lion license under this section kills a mountain lion, he must purchase a trophy license for a fee of $50 within 10 days after the date of kill. The trophy license authorizes the holder to possess and transport such trophy.

**History:** En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(19); amd. Sec. 10, Ch. 478, L. 1979; amd. Sec. 5, Ch. 680, L. 1983; amd. Sec. 6, Ch. 598, L. 1987.

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

**87-2-508. Class D-2—resident mountain lion license.** Except as otherwise provided in this chapter, a person who is a resident, as defined in 87-2-102, and who is 12 years of age or older, upon payment of a fee of $10 may receive a Class D-2 license which shall entitle the holder thereof to pursue, hunt, shoot, and kill mountain lion and possess the carcass thereof as authorized by department rules. If a holder of a valid mountain lion license under this section kills a mountain lion, he must purchase a trophy license for a fee of $50 within 10 days after the date of kill. The trophy license authorizes the holder to possess and transport such trophy.

**History:** En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(20); amd. Sec. 11, Ch. 478, L. 1979; amd. Sec. 6, Ch. 680, L. 1983.

**87-2-509. Tagging of carcasses of game animals.** (1) Every license issued by the department authorizing the holder thereof to pursue, shoot, kill, capture, take, or possess game animals, whether issued to a resident or a nonresident, shall provide such tags, coupons, or markers as the department prescribes. When any person takes or kills any game animal under the license, the person shall immediately thereafter cut out from the tag, coupon, or other marker the date the animal was killed or taken and attach the tag, coupon, or other marker to the animal, completely filled out with the name of the license holder, his address, and any other information requested on the tag, coupon, or other marker. Such tag, coupon, or other marker shall be kept attached to the carcass so long as any considerable portion of the carcass remains unconsumed, and when the proper tag, coupon, or other marker is attached to the game animal so killed, the same may be possessed, used, stored, and transported.

(2) It is unlawful for a person, who kills any game animal by authority of any license issued for the killing of the game animal, to fail or neglect to cut out the day and month of the kill or provide such other information as is required and attach his tag, coupon, or other marker so provided with the license issued to the carcass of the game animal or portion thereof. It is unlawful for a person to fail to keep the tag, coupon, or other marker attached to the game animal or portion thereof while the same is possessed by him.

**History: En. Sec. 2, Ch. 267, L. 1955; amd. Sec. 1, Ch. 65, L. 1963; amd. Sec. 1, Ch. 72, L. 1969; amd. Sec. 1, Ch. 48, L. 1971; amd. Sec. 3, Ch. 167, L. 1973; amd. Sec. 1, Ch. 195, L. 1973; amd. Sec. 28, Ch. 9, L. 1977; R.C.M. 1947, 26-202.2(3).**

**Cross-References**

Tagging of turkey, 87-3-404.

Tagging grizzly bear, 87-5-302.

**87-2-510.** *(Temporary)* **Class B-11—nonresident deer combination license.** (1) Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of a fee of $200 and subject to the limitations prescribed by law and department regulation, apply to the fish and game office, Helena, Montana, to purchase a Class B-11 nonresident deer combination license that entitles the holder to all the privileges of the Class B, Class B-1, and Class B-7 licenses. This license includes the nonresident wildlife conservation license as prescribed in 87-2-202.

(2) Six thousand Class B-11 licenses are authorized for sale each license year.

**87-2-510.** *(Effective March 1, 1994)* **Class B-11—nonresident deer combination license.** (1) Except as otherwise provided in this chapter, a person not a resident, as defined in 87-2-102, but who will be 12 years of age or older prior to September 15 of the season for which the license is issued may, upon payment of a fee of $175 and subject to the limitations prescribed by law and department regulation, apply to the fish and game office, Helena, Montana, to purchase a Class B-11 nonresident deer combination license that entitles the holder to all the privileges of the Class B, Class B-1, and Class B-7 licenses. This license includes the nonresident wildlife conservation license as prescribed in 87-2-202.

(2) Six thousand Class B-11 licenses are authorized for sale each license year.

**History:** **En. Sec. 1, Ch. 458, L. 1987; amd. Sec. 11, Ch. 598, L. 1987.**

**87-2-511. Sale of Class B-10 and Class B-11 licenses.** (1) The department shall offer the Class B-10 and Class B-11 licenses for sale on March 15, with 5,600 of the authorized Class B-10 licenses and 2,000 Class B-11 licenses reserved for applicants indicating their intent to use the services of a licensed outfitter, and 2,000 of the authorized Class B-11 licenses reserved for applicants indicating their intent to hunt with a resident sponsor on land owned by that sponsor, as provided in subsections (2) and (3).

(2) Each application for a reserved license under subsection (1) must contain a written affirmation that the applicant intends to hunt with a licensed outfitter or a resident sponsor and must indicate the name of the licensed outfitter or resident sponsor with whom the applicant intends to hunt. In addition, the application must be accompanied by a certificate that is signed by a licensed outfitter or resident sponsor and which affirms that the outfitter or resident will:

(a) direct the applicant's hunting and advise the applicant of game and trespass laws of the state;

(b) submit to the department, in a manner prescribed by the department, complete records of who hunted with him, where they hunted, and what game was taken; and

(c) accept no monetary consideration for enabling the nonresident applicant to obtain a license or for providing any services or assistance to the nonresident applicant, except as provided in this title.

(3) The certificate signed by the resident sponsor pursuant to subsection (2) must also affirm that the sponsor is a landowner and that the applicant under the certificate will hunt only on land owned by the sponsor.

(4) The department shall make the reserved Class B-10 and Class B-11 licenses that remain unsold on April 15 available to nonresident applicants without restriction as to hunting with a licensed outfitter or resident sponsor.

(5) All Class B-10 and Class B-11 licenses not reserved under subsection (1) and all unsold reserved licenses available under subsection (4) must be issued by a drawing among all applicants for the respective unreserved licenses.

**History:** **En. Sec. 2, Ch. 458, L. 1987.**

## Part 6

## Trapping Licenses

**Part Cross-References**

Seasonal rules adopted annually, 2-4-102.

Powers and duties of Department of Fish, Wildlife, and Parks, 87-1-201.

Posting and publication of orders, rules, and regulations, 87-1-202.

**87-2-601. Class C—trapper's license.** Except as otherwise provided in this chapter, a resident, as defined in 87-2-102, who is 13 years of age or older, upon making application and payment of a fee of $20 to the department, may receive a Class C license which shall authorize the holder thereof to trap fur-bearing animals and hunt bobcat, wolverine, and Canada lynx within the state of Montana at such times and in such manner as may be lawful so to do under the laws of the state and the regulations of the department and at such places as may be designated in said license.

**History:** **En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(14); amd. Sec. 12, Ch. 478, L. 1979; amd. Sec. 7, Ch. 680, L. 1983; amd. Sec. 2, Ch. 329, L. 1985.**

**Cross-References**

Hunting bobcats with dogs, 87-3-124.

**87-2-602. Class C-1—landowner's trapping license.** Except as otherwise provided in this chapter, any individual who owns land in this state or any tenant or member of the immediate family of said owner or tenant, upon making application to the department and payment of the fee of $1, may receive a Class C-1 license which shall entitle the holder thereof to trap any fur-bearing animal and to hunt bobcat, wolverine, and lynx on land owned or leased by him or his immediate family at such times and in such manner as may be lawful so to do under the laws of the state and the regulations of the department and at such places as may be designated in said license.

**History:** **En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(15); amd. Sec. 13, Ch. 478, L. 1979.**

**Cross-References**

Hunting bobcats with dogs, 87-3-124.

**87-2-603. Class C-2—nonresident trapper's license.** (1) Any person not a resident as defined in 87-2-102, who is 13 years of age or older, upon making application to the department and paying a fee of $250 to the department, is entitled to a nonresident trapper's license that authorizes the holder to trap and snare predatory animals and nongame wildlife within the state. Such trapping or snaring is permitted only after October 15 of each license year, in such manner as may be lawful under the laws of the state and the rules of the commission, and at such places as may be designated in the license.

(2) Any person not a resident whose state of residence does not sell nonresident trapper's licenses to Montanans may not be issued a Class C-2 license under subsection (1).

**History:** **En. Sec. 2, Ch. 255, L. 1979; amd. Sec. 3, Ch. 329, L. 1985.**

**Cross-References**

Unlawful to trap or snare without license, 87-2-103.

**87-2-604. Permission of landowner required.** Every holder of a Class C-2 trapper's license shall obtain written permission from the landowner, lessee, or his agent before trapping or snaring predatory animals or nongame wildlife on private property.

**History:** **En. Sec. 3, Ch. 255, L. 1979.**

**Cross-References**

Penalty for failure to acquire permission — definition of "enter or remain unlawfully", 45-6-201.

Use of snare with landowner's consent, 87-3-107.

Permission required to drive motor vehicle on private land, 87-3-125.

Big game hunting with landowner permission, 87-3-304.

**87-2-605. Class C-3—youth trapping license.** Except as otherwise provided in this chapter, a resident, as defined in 87-2-102, who is 6 years of age or older and less than 13 years of age, upon making application and payment of a fee of $3 to the department, may receive a Class C-3 license, which authorizes the holder to trap fur-bearing animals, the trapping of which has not been restricted by the commission, within the state of Montana at such times and in such manner as may be lawful under the laws of the state and the regulations of the department, and at such places as may be designated in the license.

**History:** **En. Sec. 1, Ch. 329, L. 1985.**

**Cross-References**

Fur-bearing animals — restrictions and regulations, Title 87, ch. 3, part 5.

## Part 7

## Special and Combination Licenses and Nongame Certificate

**Part Cross-References**

Seasonal rules adopted annually, 2-4-102.

Powers and duties of Department of Fish, Wildlife, and Parks, 87-1-201.

Posting and publication of orders, rules, and regulations, 87-1-202.

**87-2-701.** *(Temporary)* **Special licenses.** (1) Any applicant who will be 12 years of age or older prior to September 15 of the season for which the license is issued and is the holder of a resident wildlife conservation license or a nonresident wildlife conservation license may apply for a special license which, in the judgment of the department, is to be issued and shall pay the following fees therefor:

(a) moose—resident, $50; nonresident, $320;
(b) mountain goat—resident, $50; nonresident, $320;
(c) mountain sheep—resident, $50; nonresident, $320;
(d) antelope—resident, $6; nonresident, $120;
(e) grizzly bear—resident, $50; nonresident, $300;
(f) black or brown bear—nonresident, $120;
(g) wild buffalo—resident, $200; nonresident, $1,000.

(2) In the event a holder of a valid special grizzly bear license kills a grizzly bear, he must purchase a trophy license for a fee of $25 within 10 days after date of kill. Such trophy license shall authorize the holder to possess and transport said trophy.

(3) Special licenses shall be issued in a manner prescribed by the department. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-701.** *(Effective March 1, 1994)* **Special licenses.** (1) Any applicant who will be 12 years of age or older prior to September 15 of the season for which the license is issued and is the holder of a resident wildlife conservation license or a nonresident wildlife conservation license may apply for a special license which, in the judgment of the department, is to be issued and shall pay the following fees therefor:

(a) moose—resident, $50; nonresident, $300;
(b) mountain goat—resident, $50; nonresident, $300;
(c) mountain sheep—resident, $50; nonresident, $300;
(d) antelope—resident, $6; nonresident, $100;
(e) grizzly bear—resident, $50; nonresident, $300;
(f) black or brown bear—nonresident, $100;
(g) wild buffalo—resident, $200; nonresident, $1,000.

(2) In the event a holder of a valid special grizzly bear license kills a grizzly bear, he must purchase a trophy license for a fee of $25 within 10 days after date of kill. Such trophy license shall authorize the holder to possess and transport said trophy.

(3) Special licenses shall be issued in a manner prescribed by the department.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(13); amd. Sec. 1, Ch. 100, L. 1979; amd. Sec. 14, Ch. 478, L. 1979; amd. Sec. 10, Ch. 554, L. 1981; amd. Sec. 8, Ch. 680, L. 1983; amd. Sec. 2, Ch. 568, L. 1985; amd. Sec. 7, Ch. 598, L. 1987.**

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

Wildlife conservation license prerequisite, 87-2-201.

Auction of male mountain sheep license, 87-2-722.

Special wild buffalo licenses, 87-2-723.

**87-2-702. Restrictions on special licenses.** (1) A person who has killed or taken any game animal, except a deer or an antelope, during the current license year is not permitted to receive a special license under this chapter to hunt or kill a second game animal of the same species.

(2) The commission may require applicants for special permits authorized by this chapter to obtain a valid big game license for that species for the current year prior to applying for a special permit.

(3) After March 27, 1987, a person may, during his lifetime, lawfully take only one grizzly bear in Montana with a license authorized by 87-2-701.

**History: En. Sec. 2, Ch. 267, L. 1955; amd. Sec. 1, Ch. 65, L. 1963; amd. Sec. 1, Ch. 72, L. 1969; amd. Sec. 1, Ch. 48, L. 1971; amd. Sec. 3, Ch. 167, L. 1973; amd. Sec. 1, Ch. 195, L. 1973; amd. Sec. 28, Ch. 9, L. 1977; R.C.M. 1947, 26-202.2(1), (2); amd. Sec. 15, Ch. 478, L. 1979; amd. Sec. 11, Ch. 554, L. 1981; amd. Sec. 1, Ch. 241, L. 1987; amd. Sec. 3, Ch. 431, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1) that read: "(1) A person who has received a special permit for elk is not eligible to receive a second special permit for elk during any license year. However, in the event the number of applications received is not equal to the number of elk desired to be killed by the department, reapplication may be made by those valid license holders of the current year who may fall within these limitations." Amendment effective April 4, 1989.

**87-2-703. Repealed.** Sec. 16(1), Ch. 554, L. 1981.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(21); amd. Sec. 16, Ch. 478, L. 1979.**

**87-2-704. Regulation of special elk permits.** (1) The department may:

(a) provide for the refund of resident elk tag license fees to persons applying for special elk permits in hunting districts where there is no general elk hunting and set time limits and describe area restrictions;

(b) designate special elk permit areas where priority will be given to applicants who have not held special elk permits for a period of years to be determined by the department.

(2) The department may adopt rules necessary to implement this section.

**History: En. 26-202.7 by Sec. 2, Ch. 546, L. 1975; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.7.**

**Cross-References**

Resident elk licenses, 87-2-501.

Notification of results of elk hunt required — penalty, 87-2-713.

**87-2-705. Drawing for special elk permits.** (1) In the event the number of valid applications for special elk permits for a hunting district exceeds the quota set by the department for the district, these permits shall be awarded by a drawing. The department shall provide for those persons making valid application for special elk permits a method of selecting first, second, and third choice hunting districts for any drawing held pursuant to this section.

(2) Subject to the limitation of subsection (4), a person who holds fee title to 640 acres or more of contiguous land, at least some of which is used by elk, in a hunting district where elk permits are awarded under this section shall be issued, upon application, a permit to hunt elk in the hunting district under the terms and conditions of the permit.

(3) An applicant who receives a permit under subsection (2) may designate that the permit be issued to an immediate family member or a person employed by the landowner. A corporation owning qualifying land under subsection (2) may designate one of its shareholders to receive the permit.

(4) Fifteen percent of the special elk permits available each year under this section in a hunting district must be available to landowners under subsection (2).

(5) The department may promulgate the rules necessary to implement this section.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965;**

**amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(h); amd. Sec. 12, Ch. 554, L. 1981; amd. Sec. 1, Ch. 623, L. 1987; amd. Sec. 1, Ch. 290, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), at end, substituted "in the hunting district under the terms and conditions of the permit" for "on land owned by him". Amendment effective March 24, 1989.

**Cross-References**

Notification of results of elk hunt required — penalty, 87-2-713.

**87-2-706. Drawing for special antelope licenses.** (1) In the event the number of valid applications for special antelope licenses for a hunting district exceeds the quota set by the department for the district, such licenses shall be awarded by a drawing. The department shall provide for those persons making valid application for special antelope licenses a method of selecting first, second, and third choice hunting districts for any drawing held pursuant to this section.

(2) The department shall reserve for applicants who are permanently physically handicapped and nonambulatory, as determined by the department, up to 25 of the total special antelope licenses authorized for sale in the state, for use in the district designated by the commission. If the number of valid disabled applicants exceeds the number of licenses available, the department may hold a drawing whereby all applicants have an equal chance of being selected.

(3) The department may promulgate such rules and regulations as are necessary to implement this section.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(g); amd. Sec. 13, Ch. 554, L. 1981; amd. Sec. 1, Ch. 326, L. 1987.**

**87-2-707. Repealed.** Sec. 20, Ch. 478, L. 1979.

**History: En. Sec. 1, Ch. 239, L. 1965; amd. Sec. 2, Ch. 319, L. 1967; amd. Sec. 4, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.5(1).**

**87-2-708. Class A-2—special bow and arrow license.** A holder of a valid hunting license for which a special archery season is set by the department may receive, upon payment of an additional fee of $7, a Class A-2 license which shall authorize the holder thereof to pursue, hunt, shoot, and kill with bow and arrow the game animals so authorized by the licenses held and to possess the carcass thereof during seasons and in areas, as designated by the department.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd.**

**Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(3); amd. Sec. 2, Ch. 220, L. 1979; amd. Sec. 17, Ch. 478, L. 1979; amd. Sec. 2, Ch. 210, L. 1987.**

**87-2-709 and 87-2-710 reserved.**

**87-2-711.** *(Temporary)* **Class AAA—sportsman's license.** Any resident, as defined by 87-2-102, who will be 12 years of age or older prior to September 15 of the season for which the license is issued, upon payment of the sum of $45.50, shall be entitled to a sportsman's license which shall permit the holder to exercise all rights granted to holders of Class A, A-1, A-3, A-5, A-6, and resident conservation licenses as prescribed in 87-2-202. The department shall furnish each holder of a sportsman's license an appropriate decal. *(Terminates March 1, 1994—sec. 12, Ch. 598, L. 1987.)*

**87-2-711.** *(Effective March 1, 1994)* **Class AAA—sportsman's license.** Any resident, as defined by 87-2-102, who will be 12 years of age or older prior to September 15 of the season for which the license is issued, upon payment of the sum of $38.50, shall be entitled to a sportsman's license which shall permit the holder to exercise all rights granted to holders of Class A, A-1, A-3, A-5, A-6, and resident conservation licenses as prescribed in 87-2-202. The department shall furnish each holder of a sportsman's license an appropriate decal.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(18); amd. Sec. 6, Ch. 255, L. 1985; amd. Sec. 8, Ch. 598, L. 1987; amd. Sec. 8, Ch. 636, L. 1987; amd. Secs. 8, 9, Ch. 601, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Changed "$45" to "$45.50". Amendment effective July 1, 1989. Section 9, Ch. 601, L. 1989, amended sec. 8, Ch. 636, L. 1987, to increase the fee from "$38" to "$38.50" after March 1, 1994.

*Applicability:* Section 11, Ch. 601, L. 1989, provided that this section applies to licenses for fishing seasons that begin on or after March 1, 1990.

**Cross-References**

Portion of fee to fund wildlife habitat, 87-1-242.

Portion of fee to fund pheasant enhancement program, 87-1-246.

River restoration program, 87-1-255 through 87-1-259.

**87-2-712. Repealed.** Sec. 20, Ch. 478, L. 1979.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(7).**

**87-2-713.** *(Temporary)* **Notification of results of elk hunt required — penalty.** (1) In order to enhance recordkeeping, the department shall issue with every special elk permit for a hunting district where there is no general elk hunting a card to be returned to the department by the licensee within 10 days of successfully killing an elk. The card must contain any information the commission by rule determines necessary to monitor elk kills during the season.

(2) If a permittee does not successfully kill an elk during the season, the card must be marked to indicate an unsuccessful hunt and returned to the department within 10 days of the end of the season.

(3) A permittee who fails to return the card as required by this section may not apply for a special elk permit to hunt elk during the next regular hunting season. *(Terminates January 1, 1991—sec. 3, Ch. 109, L. 1989.)*

**History: En. Sec. 1, Ch. 109, L. 1989.**

**Compiler's Comments**

*Effective Date — Termination:* Section 3, Ch. 109, L. 1989, provided that this section is effective March 15, 1989, and terminates January 1, 1991.

**Cross-References**

Regulation of special elk permits, 87-2-704.

Drawing for special elk permits, 87-2-705.

**87-2-714 through 87-2-720 reserved.**

**87-2-721. Repealed.** Sec. 16(1), Ch. 554, L. 1981.

**History: En. 26-202.8 by Sec. 3, Ch. 546, L. 1975; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.8.**

**87-2-722. Auction of mountain sheep license.** (1) The commission may issue one male mountain sheep license each year through a competitive auction. The commission shall promulgate rules for the use of the license and conduct of the auction. A wildlife conservation organization involved in the conservation of mountain sheep may be authorized by the commission to conduct the license auction, in which case the authorized organization may retain proceeds of the sale, not to exceed 10%, to cover reasonable auction expenses.

(2) All proceeds remaining from the auction, whether conducted by the commission or as otherwise authorized by the commission, must be used by the department for the substantial benefit of mountain sheep. The proceeds from the auction must be used in addition to any other funds the department uses for the management of mountain sheep. The department shall report to each legislature concerning the use or investment of auction proceeds.

**History: En. Sec. 1, Ch. 414, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-2-723. Regulation of special wild buffalo licenses — fees used for management of Yellowstone national park wild buffalo herd.** (1) The department shall adopt rules regulating special wild buffalo licenses. The rules shall provide for:

(a) license drawing procedures based on a year-round season;

(b) an entry fee for the drawing of a license, which must be a minimum of $5;

(c) notification of license recipients as to when and where they may hunt;
(d) means of taking;
(e) tagging requirements for carcasses, skulls, and hides;
(f) possession limits; and
(g) requirements for transportation and exportation.

(2) The money collected from drawing and license fees must be placed in a special fund to manage and control the wild buffalo entering Montana from the Yellowstone national park herd.

**History: En. Secs. 3, 4, Ch. 568, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-2-724. Auction of Shiras moose license.** (1) The commission may issue one male Shiras moose license each year through a competitive auction. The commission shall promulgate rules for the use of the license and conduct of the auction. A wildlife conservation organization involved in the conservation of moose may be authorized by the commission to conduct the license auction, in which case the authorized organization may retain up to 10% of the proceeds of the sale to cover reasonable auction expenses.

(2) All proceeds remaining from the auction, whether conducted by the commission or as otherwise authorized by the commission, must be used by the department for the substantial benefit of moose. The proceeds from the auction must be used in addition to any other funds the department uses for the management of moose. The department shall report to each legislature concerning the use or investment of auction proceeds.

**History: En. Sec. 1, Ch. 174, L. 1987.**

## Part 8

## Exceptions to License Requirements

**87-2-801. Residents over sixty-two years of age.** (1) A resident, under the definition of 87-2-102, who is 62 years of age or older is entitled to fish and hunt game birds with a conservation license issued by the department. The form of such license shall be prescribed by the department.

(2) A resident who is 62 years of age or older is also entitled to purchase regular resident deer and elk tags at a price that is one-half of the fee paid by a resident who is 15 years old or older and who is under 62 years of age.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(a); amd. Sec. 1, Ch. 532, L. 1981; amd. Sec. 1, Ch. 169, L. 1983.**

**Cross-References**

Montana State Golden Years Pass, 23-1-105.

**87-2-802. Veterans in VA hospitals and residents of state institutions.** Any veteran who is a patient residing at a hospital operated by the veterans administration, within or outside the state, and residents of all institutions under the jurisdiction of the department of institutions, except the Montana state prison at Deer Lodge, will be entitled to fish without a license. Such residents shall carry a permit on a form prescribed by the department and signed by the superintendent of the institution in lieu of a license.

**History: En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(b).**

**Cross-References**

Servicemen, servicewomen, and veterans, Art. III. sec. 35, Mont. Const.

**87-2-803. Disabled persons.** (1) Disabled persons are entitled to fish and to hunt game birds with only a conservation license if they are residents of Montana not residing in an institution and are certified as disabled as prescribed by departmental rule.

(2) A resident of Montana who is certified as disabled by the department and who is not residing in an institution may purchase regular resident deer and elk licenses at one-half the fee paid by a resident who is 15 years old or older and who is under 62 years of age.

(3) Such disabled persons shall carry a permit on a form prescribed by the department. A disabled person issued a permit under this subsection is entitled to have the department stamp such a permit with "Permission to Hunt From a Vehicle" if the person establishes to the satisfaction of the department that he is permanently physically handicapped and nonambulatory or his mobility is substantially impaired.

(4) A disabled person carrying a permit as required in subsection (3), upon which is stamped "Permission to Hunt From a Vehicle", may hunt by shooting a firearm from the shoulder, berm, or borrow-pit right-of-way of a public highway, as defined in 61-1-202, except a state or federal highway, or may hunt by shooting a firearm from within a self-propelled or drawn vehicle parked on such shoulder, berm, or borrow-pit right-of-way in a manner that will not impede traffic or endanger motorists or may hunt by shooting a firearm from within a self-propelled or drawn vehicle parked in an area, not a public highway, where hunting is permitted. Nothing in this subsection allows such disabled person to shoot across the roadway of any public highway or to hunt on private property without permission of the landowner. A disabled person who hunts as authorized in this subsection must have a companion to assist in immediately dressing any killed game animal. Any vehicle from which a disabled person is hunting must be conspicuously marked with an orange-colored international symbol of the handicapped on the front, rear, and each side of such vehicle.

(5) A resident of Montana who is certified by the department as a blind individual, as defined in 53-7-301, may be issued a lifetime fishing license for

the blind upon payment of a one-time fee of $10. The license is valid for the lifetime of the blind individual and allows the licensee to fish with hook and line or rod, as authorized by department rule. An applicant for a license under this subsection need not obtain a wildlife conservation license as a prerequisite to licensure.

**History:** En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(c); amd. Sec. 2, Ch. 169, L. 1983; amd. Sec. 2, Ch. 416, L. 1985; amd. Sec. 2, Ch. 41, L. 1989.

**Compiler's Comments**

*1989 Amendment:* Inserted (5) providing for a lifetime fishing license for the blind. Amendment effective February 24, 1989.

**Cross-References**

Shooting from or across highway, 61-8-369.
General restrictions, 87-3-101.

**87-2-804. Revocation of exception.** If a person is convicted of a violation of the fish and game laws or regulations of Montana, the privilege conferred by 87-2-801 through 87-2-803 shall be revoked for not less than 6 months.

**History:** En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd. Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-202.1(16)(d).

**Cross-References**

Forfeiture of license or permit for littering, 87-2-112.

**87-2-805. Persons under fifteen years of age.** (1) Resident minors from 12 years through 14 years of age may fish and may hunt upland and migratory birds during the open season with only a conservation license. Resident minors under 12 years of age may fish without a license. However, no nonresident person under the age of 15 years may fish in or on any Montana waters without first having obtained a Class B or B-4 fishing license unless the nonresident person under the age of 15 years is in the company of an adult in possession of a valid Montana fishing license. The limit of fish for the nonresident person and the accompanying adult combined may not exceed the limit for one adult as established by law or by rule of the department.

(2) Residents, as defined by 87-2-102, under the age of 15 years may purchase Class A-3 and A-5 licenses at a price equal to one-half the fee paid by a resident who is 15 years of age or older and under 62 years of age.

**History:** (1)En. Sec. 11, Ch. 238, L. 1921; re-en. Sec. 3691, R.C.M. 1921; amd. Sec. 11, Ch. 59, L. 1927; amd. Sec. 3, Ch. 161, L. 1931; re-en. Sec. 3691, R.C.M. 1935; amd. Sec. 2, Ch. 148, L. 1963; amd. Sec. 1, Ch. 48, L. 1965; amd. Sec. 1, Ch. 26, L. 1967; amd. Sec. 1, Ch. 309, L. 1971; amd. Sec. 1, Ch. 369, L. 1975; amd. Sec. 6, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-215, R.C.M. 1947; (2)En. Sec. 1, Ch. 267, L. 1955; amd. Sec. 1, Ch. 16, L. 1957; amd.

**Sec. 1, Ch. 100, L. 1957; amd. Sec. 2, Ch. 36, L. 1959; amd. Sec. 1, Ch. 36, L. 1963; amd. Sec. 1, Ch. 55, L. 1963; amd. Sec. 1, Ch. 148, L. 1963; amd. Sec. 1, Ch. 9, L. 1965; amd. Sec. 1, Ch. 241, L. 1965; amd. Sec. 1, Ch. 319, L. 1967; amd. Sec. 1, Ch. 84, L. 1969; amd. Sec. 1, Ch. 129, L. 1971; amd. Sec. 1, Ch. 110, L. 1973; amd. Sec. 1, Ch. 139, L. 1973; amd. Sec. 2, Ch. 167, L. 1973; amd. Sec. 1, Ch. 261, L. 1973; amd. Sec. 1, Ch. 408, L. 1973; amd. Sec. 1, Ch. 49, L. 1975; amd. Sec. 1, Ch. 91, L. 1975; amd. Sec. 1, Ch. 289, L. 1975; amd. Sec. 1, Ch. 417, L. 1975; amd. Sec. 1, Ch. 546, L. 1975; amd. Sec. 1, Ch. 169, L. 1977; amd. Sec. 2, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-202.1, R.C.M. 1947; R.C.M. 1947, 26-202.1(16)(e), 26-215(3); amd. Sec. 18, Ch. 478, L. 1979; amd. Sec. 3, Ch. 169, L. 1983; amd. Sec. 7, Ch. 239, L. 1983; amd. Sec. 5, Ch. 304, L. 1985.**

**87-2-806. Taking fish or game for scientific purposes.** (1) It is lawful for the duly accredited representative of an accredited school, college, university, or other institution of learning or of any governmental agency, who may be investigating a scientific subject making it necessary, to take, kill, capture, and possess for that purpose any birds, fish, or animals protected by Montana law or state fish and game rule. He may take, kill, and capture protected or unprotected birds, fish, or animals in any way except by the explosion of dynamite. No more of the birds, fish, or animals may be taken than are necessary for the investigation.

(2) A person who desires to engage in the scientific investigation shall apply to the director for a permit. The director may set qualifications for persons to whom permits are issued and may place special authorizations or special requirements and limitations on any permit. If the director is satisfied of the good faith and qualifications of the applicant, he shall issue a permit which shall place a time limit on the collections and may place a restriction on the number of birds, fish, or animals to be taken and shall require a report of the numbers and species of animals taken by collection areas.

(3) The permittee shall pay $5 for the permit.

(4) The permittee may not take, have, or capture any other or greater number of birds, fish, or animals than are mentioned in the permit.

(5) Any representative of an accredited school, college, university, or other institution of learning who may have various students or associates assisting him throughout the year may apply to have his permit issued to himself and his associates. The associates, when carrying a copy of the permit, shall have the same authorizations and restrictions as the original applicant. The original applicant shall keep a record of all associates to whom he issued a copy of his permit and of the times for which each associate is issued a copy. The original applicant is responsible for his associates' use of the permit or copies of the permit, including their reports of species and numbers of animals collected.

**History: En. Sec. 81, Ch. 173, L. 1917; re-en. Sec. 3760, R.C.M. 1921; re-en. Sec. 3760, R.C.M. 1935; amd. Sec. 27, Ch. 224, L. 1947; amd. Sec. 1, Ch. 116, L. 1973; amd. Sec. 43, Ch. 511, L. 1973; amd. Sec. 49, Ch. 9, L. 1977; R.C.M. 1947, 26-1008.**

**Cross-References**

Exception to tattoo requirements for wild animals taken and released as part of scientific program, 87-1-234.

Unlawful to use explosives or poisons in taking fish, 87-3-206.

Taking of endangered species for educational, scientific, or other purposes, 87-5-109.

Capturing animals or birds in game preserve for scientific purpose, 87-5-401.

**87-2-807. Taking migratory game birds for propagation — avicultural permit.** (1) The department may issue avicultural permits for taking, capturing, and possessing migratory game birds, as defined in 87-2-101(7), for the purpose of propagation. Before issuing an avicultural permit, the department must determine that the applicant has been issued the appropriate federal permit or that the applicant will receive the appropriate federal permit subject to concurrence by the department.

(2) An avicultural permit issued under this section must specify:

(a) the species of migratory game birds allowed to be taken under the permit;

(b) whether eggs or hatched birds, or both, may be taken;

(c) the number of eggs or hatched birds, or both, that may be taken;

(d) areas in which collection may be made;

(e) means by which collection may be made;

(f) the time period for which the permit is valid; and

(g) any other conditions imposed by the department under rules adopted pursuant to subsection (5).

(3) Hatched migratory game birds or their eggs taken under an avicultural permit issued in accordance with this section remain the property of the state and may be disposed of only with the permission of the department. Progeny of hatched migratory game birds taken under permit as provided in this section become the private property of the holder of the permit who propagates such migratory game birds, and the owner may sell or transfer such birds as private property, subject to any applicable state or federal law or regulation.

(4) The department may charge a fee for issuing an avicultural permit, if necessary, not to exceed the cost of issuing such permit.

(5) The department shall adopt rules implementing this section.

**History: En. Sec. 1, Ch. 262, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

## Part 9

## License Agents

**87-2-901. Appointment of license agents.** The director may appoint license agents as needed to sell state hunting and fishing licenses and any permits or certificates prescribed by the department, according to rules adopted by the department.

**History: En. Sec. 1, Ch. 88, L. 1947; amd. Sec. 1, Ch. 156, L. 1949; amd. Sec. 25, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 7, Ch. 421, L. 1977; R.C.M. 1947, 26-220.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Small business licensing coordination, Title 30, ch. 16, part 2.

Discrimination in license issuance prohibited, 49-3-204.

**87-2-902. Bond or security of agent and preferred claim of state for license money.** (1) An appointed license agent shall furnish a corporate surety bond or other security as required by department rule. The bond shall secure the faithful performance of the duties imposed on the license agent and the accounting for and payment to the state of all money received from the sale of hunting and fishing licenses and any permits or certificates prescribed by the department. The license agent shall properly account for all unsold licenses, permits, and certificates annually on April 1 or at any other time at the request of the director.

(2) All money received for the sale of licenses, permits, and certificates at all times belongs to the state. In case of an assignment for the benefit of creditors, receivership, or bankruptcy, the state has a preferred claim against the assets and estate of a license agent for all money owed the state.

**History: En. Sec. 2, Ch. 88, L. 1947; amd. Sec. 1, Ch. 156, L. 1949; amd. Sec. 26, Ch. 511, L. 1973; amd. Sec. 8, Ch. 421, L. 1977; R.C.M. 1947, 26-221; amd. Sec. 7, Ch. 44, L. 1979; amd. Sec. 1, Ch. 534, L. 1983.**

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**87-2-903. Compensation and duties of agents — penalty for late submission of license money.** (1) License agents, except salaried employees of the department, shall receive for all services rendered the sum of 30 cents for each license, permit, or certificate issued. Each license agent shall submit to the department all duplicates of each class of licenses sold and shall accompany the duplicate licenses with all moneys received for the sale of the licenses less a fee of 30 cents for each license sold. The department may designate classes of license agents and may establish a deadline for submission of license money by each class of agent. Each license agent shall keep his license account open at all reasonable hours to inspection by the department, the director, the wardens, or the legislative auditor.

(2) For purposes of this section, the term "license" includes any license, permit, and certificate prescribed by the department.

(3) If a license agent fails to submit to the department all money received from the declared sale of licenses, less the appropriate fee, by the deadline established by the department, an interest charge equal to the rate charged on late corporation license tax payments under 15-31-502 must be assessed. Acceptance of late payments with interest does not preclude the department from summarily revoking the appointment of a license agent under 87-2-904.

**History: En. Sec. 3, Ch. 88, L. 1947; amd. Sec. 1, Ch. 156, L. 1949; amd. Sec. 1, Ch. 31, L. 1959; amd. Sec. 27, Ch. 511, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 9, Ch. 421, L. 1977; R.C.M. 1947, 26-222; amd. Sec. 15, Ch. 554, L. 1981; amd. Sec. 2, Ch. 534, L. 1983.**

**87-2-904. Nontransferability of appointments — revocation and oaths.** Appointments of license agents shall be nontransferable, and each appointment shall be valid only at the single location of the business as stated on the certificate of appointment. Such appointments may be summarily revoked at any time by the director upon discontinuance of the business at the stated location or for noncompliance with the provisions of this part or other regulations. Duly appointed license agents are hereby authorized to administer oaths to applicants for hunting and fishing licenses and for other permits and certificates prescribed by the department.

**History: En. Sec. 4, Ch. 88, L. 1947; amd. Sec. 1, Ch. 156, L. 1949; amd. Sec. 1, Ch. 7, L. 1969; amd. Sec. 10, Ch. 421, L. 1977; R.C.M. 1947, 26-223; amd. Sec. 8, Ch. 44, L. 1979.**

## Part 10

## Interstate Fishing Privileges

**87-2-1001. Reciprocal fishing privileges of licensees of bordering states.** (1) Any person who is properly licensed to fish in a state which borders the state of Montana and who complies with Montana fish and game laws and regulations may fish in any part of a lake, reservoir, pond, or body of water in Montana that lies within or partly within 10 miles of the boundaries of this state when such water is declared to be open to fishing by the department; provided, however, that such bordering state grants the same or similar privileges in any such body or bodies of water or in all lakes, reservoirs, ponds, or bodies of water similarly defined within its boundaries to holders of valid Montana fishing licenses and provided further that such state enters into a reciprocal agreement with Montana setting forth terms as provided by this part.

(2) The department is authorized to enter into reciprocal agreements with corresponding state officials of adjoining states for purposes of providing such reciprocal fishing privileges upon any body or bodies of water as described above. Such agreements may include provisions by which each state shall honor the license of the other state only when there is affixed to such license a stamp purchased from the honoring state, the charge for such stamp being set by mutual agreement of the states.

**History:** **En. Sec. 1, Ch. 14, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-225.**

**87-2-1002. Regulation of devices and equipment used under reciprocal privilege.** The department may by regulation authorize use of fishing devices and equipment by properly licensed fishermen of both states, unless otherwise prohibited by Montana law, in waters forming the subject of such agreements.

**History:** **En. Sec. 2, Ch. 14, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-226.**

**87-2-1003. Bodies of water subject to reciprocal privileges.** It is the primary purpose of this part to provide a method whereby the fishing opportunities afforded upon any part of any body of water located within or partly within 10 miles of the boundaries of this state may be mutually enjoyed by the residents of Montana and the residents of such adjoining states, and it is not intended to cover the waters of rivers or streams.

**History:** **En. Sec. 3, Ch. 14, L. 1965; R.C.M. 1947, 26-227.**

**87-2-1004. Rules to implement reciprocal agreements.** The department is authorized to establish rules for the purpose of implementing agreements established under 87-2-1001. It is unlawful to violate any orders or rules promulgated by the department under this part.

**History:** **En. Sec. 4, Ch. 14, L. 1965; amd. Sec. 30, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-228.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Suretyship, Title 28, ch. 11, part 4.

# CHAPTER 3

# RESTRICTIONS AND REGULATIONS

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**Chapter Cross-References**
Penalty provisions, 87-1-102.

## Part 1

## General Provisions

**87-3-101. General restrictions.** Except as provided in 87-2-803(4), it is unlawful for anyone to take, capture, shoot, kill, or attempt to take, capture, shoot, or kill any game animal or game bird:

(1) from any self-propelled or drawn vehicle;

(2) on, from, or across any public highway or the shoulder, berm, or borrow-pit right-of-way of any public highway, as defined in 61-1-202, in the state of Montana; or

(3) by the aid or with the use of any set gun, jacklight or other artificial light, trap, snare, or salt lick; nor may any such set gun, jacklight or other artificial light, trap, snare, salt lick, or other device to entrap or entice game animals or game birds be used, made, or set.

**History: En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 3, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301((1)(a) part); amd. Sec. 2, Ch. 214, L. 1985; amd. Sec. 3, Ch. 416, L. 1985; amd. Sec. 152, Ch. 370, L. 1987.**

**Cross-References**
Creating a hazard, 45-8-113.
Shooting from or across highway, 61-8-369.
Trapping licenses, Title 87, ch. 2, part 6.
Disabled persons, 87-2-803.

**87-3-102. Waste of fish or game.** It shall be unlawful and a misdemeanor for any person responsible for the death of any game animal of this state, excepting grizzly, black, and brown bear and mountain lion, to detach or remove from the carcass only the head, hide, antlers, tusks, or teeth or any or all of aforesaid parts or to waste any part of any game animal, game bird, or game fish suitable for food or to abandon the carcass of any game animal in the field, except black and brown bear and mountain lion, which need have removed and taken from the carcass only the head or the hide of such bear or mountain lion, and except grizzly bear, which need have removed and taken from the carcass only the head and hide and such other parts as the department may demand for scientific purposes. All parts of grizzly bear demanded by the department for scientific purposes must be delivered to an officer or employee of the department for inspection as soon as possible after removal, and the department shall return to the licensee any bone structure and skull within 1 year upon written request. The hide shall be returned immediately.

**History:** En. Sec. 15, Ch. 238, L. 1921; re-en. Sec. 3696, R.C.M. 1921; amd. Sec. 7, Ch. 77, L. 1923; amd. Sec. 16, Ch. 192, L. 1925; amd. Sec. 13, Ch. 59, L. 1927; amd. Sec. 1, Ch. 152, L. 1931; re-en. Sec. 3696, R.C.M. 1935; amd. Sec. 1, Ch. 160, L. 1941; amd. Sec. 1, Ch. 158, L. 1955; amd. Sec. 1, Ch. 40, L. 1961; amd. Sec. 3, Ch. 134, L. 1969; amd. Sec. 1, Ch. 162, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-307(1).

**Cross-References**

Grizzly as state animal, 1-1-508.

Disposition of seized grizzly bears, 87-1-511.

Registration for sale of certain grizzly bears, 87-3-110.

Wasting of fur-bearing animals, 87-3-506.

Possession of game by merchants, hotelkeepers, or restaurant keepers, 87-4-702.

**87-3-103. Limit on number of game animals killed.** It shall be unlawful and a misdemeanor for any person to kill more than one game animal of any one species in any one license year unless the killing of more than one game animal of such species has been authorized by regulations of the department.

**History:** En. Sec. 15, Ch. 238, L. 1921; re-en. Sec. 3696, R.C.M. 1921; amd. Sec. 7, Ch. 77, L. 1923; amd. Sec. 16, Ch. 192, L. 1925; amd. Sec. 13, Ch. 59, L. 1927; amd. Sec. 1, Ch. 152, L. 1931; amd. Sec. 1, Ch. 160, L. 1941; amd. Sec. 1, Ch. 158, L. 1955; amd. Sec. 1, Ch. 40, L. 1961; amd. Sec. 3, Ch. 134, L. 1969; amd. Sec. 1, Ch. 162, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-307(2).

**87-3-104. Unlawful to hunt or fish during closed season.** It shall be unlawful and a misdemeanor for any person during the closed season on any species of game animal, game bird, or fish to take, hunt, shoot, kill, or capture any such game animal or such game bird or to fish for or catch any such fish.

**History:** En. Sec. 15, Ch. 238, L. 1921; re-en. Sec. 3696, R.C.M. 1921; amd. Sec. 7, Ch. 77, L. 1923; amd. Sec. 16, Ch. 192, L. 1925; amd. Sec. 13, Ch. 59, L. 1927; amd. Sec. 1, Ch. 152, L. 1931; amd. Sec. 1, Ch. 160, L. 1941; amd. Sec. 1, Ch. 158, L. 1955; amd. Sec. 1, Ch. 40, L. 1961; amd. Sec. 3, Ch. 134, L. 1969; amd. Sec. 1, Ch. 162, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-307(3).

**Cross-References**

Tagging or declaration requirements for meat stored in rental lockers, 50-50-401.

Fixing of seasons, 87-1-304.

Unlawful to take except during prescribed period, 87-2-103.

Violation of closed season on game birds, 87-3-402.

**87-3-105. Unlawful to import for introduction or to introduce or transplant wildlife.** Except as provided in 87-5-703, it is unlawful for any person to import for introduction or to transplant or introduce any wildlife into the state of Montana unless done in accordance with the provisions of Title 87, chapter 5, part 7.

**History:** **En. Sec. 3694.3, R.C.M. 1935 by Sec. 1, Ch. 100, L. 1949; amd. Sec. 1, Ch. 153, L. 1951; amd. Sec. 2, Ch. 113, L. 1975; amd. Sec. 37, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-344(2); amd. Sec. 1, Ch. 624, L. 1985.**

**Cross-References**

Importation, introduction, and transplantation of wildlife, Title 87, ch. 5, part 7.

**87-3-106. Hunting and fishing prohibited in fire-danger areas.** (1) When the fire danger becomes so extreme that the governor, upon the advice and recommendation of the department of state lands, closes an area to trespass because of fire danger, that area is automatically closed to hunting or fishing and remains closed so long as the fire closure remains in effect.

(2) A board of county commissioners may initiate a request for a closure by submitting the request to the department. However, the department may adopt reasonable rules specifying the fire prevention and suppression measures that must have been taken by the board before a request may be submitted and considered.

**History:** **En. Sec. 1, Ch. 57, L. 1969; amd. Sec. 31, Ch. 511, L. 1973; amd. Sec. 1, Ch. 178, L. 1975; R.C.M. 1947, 26-345; amd. Sec. 1, Ch. 529, L. 1981.**

**Cross-References**

Fixing of seasons, 87-1-304.

**87-3-107. Use of snare lawful under certain conditions.** (1) It shall be lawful to use a snare trap for the purpose of snaring any animal or bird under the following conditions:

(a) Each snare trap must be tagged with a numbered metal device identifying the owner's name, address, and telephone number.

(b) It is unlawful to set snare traps on private property without the landowner's consent.

(c) Snare traps shall be set in a manner and at a time so as not to unduly endanger livestock.

(d) A person who injures livestock in snare traps is liable for damages to the owner of the livestock.

(2) A person convicted of violating the provisions of this section is guilty of a misdemeanor.

(3) The commission may adopt rules to enforce this section.

**History:** **En. Sec. 1, Ch. 23, L. 1933; re-en. Sec. 3725.1, R.C.M. 1935; amd. Sec. 1, Ch. 69, L. 1974; amd. Sec. 1, Ch. 149, L. 1977; R.C.M. 1947, 26-504.**

**Cross-References**

Penalty for failure to acquire landowner permission, 45-6-201, 87-1-102.

Metal tags required on traps, 87-3-504.

**87-3-108. Restrictions on use of reproduced sounds.** It is unlawful to use any recorded or electrically amplified bird or animal calls or sounds or recorded or electrically amplified imitations of bird or animal calls or sounds to assist in the hunting, taking, killing, or capturing of wildlife, except predatory animals and those birds not protected by state or federal law.

**History:** **En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162,**

**L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 5, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(1)(b).**

**87-3-109 reserved.**

**87-3-110. Registration for sale of certain grizzly bears.** (1) A person in possession of a lawfully killed grizzly bear or a hide, head, or mount thereof may sell it if it has been registered with the department in the manner and upon forms provided by the department. The registration form must specifically describe the grizzly bear or the hide, head, or mount thereof and must accompany it upon any sale.

(2) Bears or parts thereof may be registered as follows:

(a) Before January 1, 1986, any lawfully killed grizzly bear or part thereof may be registered.

(b) On or after January 1, 1986, bears lawfully killed in Montana may be registered within 10 days after the date of kill, and bears lawfully killed outside Montana may be registered within 3 months after the date of kill upon presentation of proof of lawful kill.

(3) Registration under this section does not legalize any prior illegal act, such as the unlawful killing or theft of a grizzly bear or part thereof.

**History: En. Sec. 5, Ch. 540, L. 1985.**

**Cross-References**

Disposition of seized grizzly bears, 87-1-511.

Waste of fish or game, 87-3-102.

Possession of game by merchants, hotelkeepers, or restaurant keepers, 87-4-702.

**87-3-111.** *(Temporary)* **Unlawful to buy, sell, possess, or transport fish or game — exceptions — penalties.** (1) It is unlawful for any person to purchase, sell, offer to sell, possess, ship, or transport any game fish, game bird, migratory game bird, game animal, or fur-bearing animal or part thereof protected by the laws of this state, whether belonging to the same or different species from that native to the state of Montana, except as specifically permitted by the laws of this state.

(2) The provisions of this section do not prohibit:

(a) the possession or transportation within the state of any legally taken fish, game bird, migratory game bird, game animal, or fur-bearing animal or part thereof;

(b) the sale, purchase, or transportation of hides, heads, or mounts of lawfully killed game birds, game fish, fur-bearing animals, or game animals, except that the sale or purchase of a hide, head, or mount of a grizzly bear is prohibited, except as provided in 87-3-110; or

(c) the donation and sale of paddlefish roe as caviar under the provisions of 87-4-601.

(3) Except as provided in subsection (4), any person violating any of the provisions of this section is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

(4) Any person engaging in the activities prohibited in subsection (1) in furtherance of a scheme to traffic in the body parts of unlawfully taken species is guilty of a felony and shall be punished by a fine of $10,000 or imprisonment in the state prison for a term of 1 year, or both. *(Terminates June 30, 1993—sec. 5, Ch. 409, L. 1989.)*

**87-3-111.** *(Effective July 1, 1993)* **Unlawful to buy, sell, possess, or transport fish or game — exceptions — penalties.** (1) It is hereby made unlawful for any person to purchase, sell, offer to sell, possess, ship, or transport any game fish, game bird, migratory game bird, game animal, or fur-bearing animal or part thereof protected by the laws of this state, whether belonging to the same or different species from that native to the state of Montana, except as specifically permitted by the laws of this state.

(2) The provisions of this section shall not prohibit:

(a) the possession or transportation within the state of any legally taken fish, game bird, migratory game bird, game animal, or fur-bearing animal or part thereof; or

(b) the sale, purchase, or transportation of hides, heads, or mounts of lawfully killed game birds, game fish, fur-bearing animals, or game animals, except that the sale or purchase of a hide, head, or mount of a grizzly bear is prohibited, except as provided in 87-3-110.

(3) Except as provided in subsection (4), any person violating any of the provisions of this section is guilty of a misdemeanor and upon conviction thereof shall be punished as provided by law.

(4) Any person engaging in the activities prohibited in subsection (1) in furtherance of a scheme to traffic in the body parts of unlawfully taken species is guilty of a felony and shall be punished by a fine of $10,000 or imprisonment in the state prison for a term of 1 year, or both.

**History: En. Sec. 63, Ch. 173, L. 1917; amd. Sec. 1, Ch. 142, L. 1919; re-en. Sec. 3742, R.C.M. 1921; amd. Sec. 23, Ch. 77, L. 1923; amd. Sec. 28, Ch. 59, L. 1927; re-en. Sec. 3742, R.C.M. 1935; amd. Sec. 1, Ch. 115, L. 1939; amd. Sec. 2, Ch. 22, L. 1941; amd. Sec. 24, Ch. 224, L. 1947; amd. Sec. 1, Ch. 146, L. 1955; R.C.M. 1947, 26-806; amd. Sec. 1, Ch. 92, L. 1981; amd. Sec. 2, Ch. 540, L. 1985; amd. Sec. 2, Ch. 409, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (2)(c) providing that section does not apply to donation and sale of paddlefish roe as caviar under 87-4-601. Amendment effective July 1, 1989, and terminates June 30, 1993.

**Cross-References**

Restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Disposition of seized grizzly bears, 87-1-511.

Unlawful to sell spawn, 87-4-601.

**87-3-112. Possession of unlawfully killed animals and of unlawful fishing implements.** (1) The possession of dead bodies or any part thereof of any of the game fish, game or nongame birds, or game or fur-bearing animals defined by the fish and game laws of the state of Montana is prima facie evidence that the person or persons in whose possession the same are found have killed, caught, or taken the same. The possession of a fishing rod and line, spear, gig, or barbed fork on the banks or shores of a stream or lake is prima facie evidence that the person or persons in whose possession the same are found were using the same to fish.

(2) It is unlawful to possess, have, hold, purchase, keep in storage, or possess for any other purpose any game fish, game bird, nongame bird, game animal, fur-bearing animal, or parts thereof which were unlawfully killed,

captured, or taken. No person may unlawfully use any fishing rod and line, fishing lines, spear, gig, or barbed fork.

**History: En. Sec. 43, Ch. 173, L. 1917; re-en. Sec. 3725, R.C.M. 1921; amd. Sec. 26, Ch. 192, L. 1925; amd. Sec. 21, Ch. 59, L. 1927; amd. Sec. 1, Ch. 41, L. 1931; re-en. Sec. 3725, R.C.M. 1935; amd. Sec. 18, Ch. 224, L. 1947; amd. Sec. 40, Ch. 9, L. 1977; R.C.M. 1947, 26-503.**

**Cross-References**

Unlawful to possess net or seine, 87-3-205.

**87-3-113. Removal of illegally taken animals or parts of animals from state.** It is unlawful for any person or persons to possess or to ship or take out of the state any illegally taken game or nongame birds, fish, game animals, fur-bearing animals, the skins of fur-bearing animals, or any parts thereof, whether taken within or coming from without the state.

**History: En. Sec. 51, Ch. 173, L. 1917; re-en. Sec. 3730, R.C.M. 1921; amd. Sec. 19, Ch. 77, L. 1923; amd. Sec. 22, Ch. 59, L. 1927; re-en. Sec. 3730, R.C.M. 1935; amd. Sec. 19, Ch. 224, L. 1947; amd. Sec. 1, Ch. 38, L. 1963; amd. Sec. 42, Ch. 9, L. 1977; R.C.M. 1947, 26-701.**

**87-3-114. Labeling of packages.** All shippers of fish, game or nongame birds, game animals, fur-bearing animals, the skins of fur-bearing animals or predatory animals, or parts thereof are required to label all packages offered for shipment by parcel post, common carrier, or otherwise. The label shall be securely attached to the address of the package and shall plainly indicate the names and addresses of the consignor and consignee and the complete contents of the package.

**History: En. Sec. 54, Ch. 173, L. 1917; re-en. Sec. 3733, R.C.M. 1921; amd. Sec. 22, Ch. 77, L. 1923; amd. Sec. 28, Ch. 192, L. 1925; amd. Sec. 25, Ch. 59, L. 1927; re-en. Sec. 3733, R.C.M. 1935; amd. Sec. 20, Ch. 224, L. 1947; amd. Sec. 43, Ch. 9, L. 1977; R.C.M. 1947, 26-704.**

**87-3-115. Violation by carriers.** No person or the agent or employee of any common carrier, association, stage, express, railway, or transportation company may transport or receive for transportation or carriage or sell or offer for sale any of the game animals, game or nongame birds, fish, fur-bearing animals, the skins of fur-bearing animals, or parts thereof, except as specifically provided for by 87-3-114. All game or nongame birds, fish, game animals, fur-bearing animals, or parts thereof had in possession or which have been shipped or are being transported in violation of any of the provisions of 87-3-113 through 87-3-115 shall be seized, confiscated, and disposed of as provided by law.

**History: En. Sec. 55, Ch. 173, L. 1917; re-en. Sec. 3734, R.C.M. 1921; amd. Sec. 26, Ch. 59, L. 1927; re-en. Sec. 3734, R.C.M. 1935; amd. Sec. 21, Ch. 224, L. 1947; amd. Sec. 44, Ch. 9, L. 1977; R.C.M. 1947, 26-705.**

**87-3-116 through 87-3-120 reserved.**

**87-3-121. Conditions for award of prizes.** (1) It shall be unlawful for any person, firm, corporation, association, or club to offer or give any prize, gift, or anything of value in connection with or as a bag limit prize for the taking, capturing, killing, or in any manner acquiring any game, fowl, fur-bearing animals, or any bird or animal now or that shall be hereafter protected in any way by the fish and game laws of the state of Montana.

(2) The commission shall adopt rules to regulate contests by a person, firm, corporation, association, or club that intends to offer or give a prize,

gift, or anything of value in connection with or as a prize for the taking, capturing, killing, or in any manner acquiring fish that are protected under Title 87. The commission's rules must be based on the commission's duty under Title 87 to protect, preserve, and propagate fish in the state.

(3) This section shall not be construed to prohibit the award of prizes for any one game bird or fur-bearing animal on the basis of size, quality, or rarity.

**History:** En. Sec. 1, Ch. 82, L. 1935; re-en. Sec. 3744.1, R.C.M. 1935; amd. Sec. 1, Ch. 48, L. 1974; R.C.M. 1947, 26-809; amd. Sec. 1, Ch. 346, L. 1987.

**Cross-References**

Fixing of bag and possession limits, 87-1-304.

Contests based on size of game unlawful, 87-3-307.

**87-3-122. Spotlighting unlawful.** (1) It is unlawful for any person or one or more of a group of persons together to throw or cast the rays of a spotlight having a luminance of greater than .75 candlepower attached to or cast from a motorized vehicle into any field, pasture, woodland, forest, or prairie wherein wildlife or domestic livestock may be or may be reasonably expected to be while having in his possession or their possession or under control a firearm or other implement whereby any wildlife or domestic animal could be killed by aid of an artificial light.

(2) (a) All officers authorized to enforce the game and livestock laws of the state of Montana and all landowners, lessees, or their agents, while on their own lands in connection with their legitimate activities, and employees of such landowners, lessees, and agents are exempt from the provisions of this section.

(b) The provisions of this section do not apply where the headlights of a motor vehicle, operating and proceeding in a normal manner on any highway or roadway, cast a light upon such animal on or adjacent to the highway or roadway and there is no intent or attempt to locate that animal.

(3) A person convicted of violating subsection (1) of this section shall be fined not to exceed $500 or be imprisoned in the county jail for any term not to exceed 6 months, or both.

**History:** En. Sec. 11, Ch. 238, L. 1921; re-en. Sec. 3691, R.C.M. 1921; amd. Sec. 11, Ch. 59, L. 1927; amd. Sec. 3, Ch. 161, L. 1931; re-en. Sec. 3691, R.C.M. 1935; amd. Sec. 2, Ch. 148, L. 1963; amd. Sec. 1, Ch. 48, L. 1965; amd. Sec. 1, Ch. 26, L. 1967; amd. Sec. 1, Ch. 309, L. 1971; amd. Sec. 1, Ch. 369, L. 1975; amd. Sec. 6, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-215(1), (2), (4).

**Cross-References**

General restrictions — jacklights, 87-3-101.

**87-3-123. Use of silencers or mufflers on firearms forbidden.** No person may take into a field or forest or have in his possession while out hunting any device or mechanism devised to silence, muffle, or minimize the report of any firearms, whether such device or mechanism be operated from or attached to any firearm.

**History:** En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 5, Ch. 235, L. 1977;

**amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(3).**

**87-3-124. Restrictions on hunting with dogs.** (1) (a) Except as provided in 87-3-127, no person may chase with dogs any of the game or furbearing animals as defined by the fish and game laws of this state.

(b) A person may take game birds during the appropriate open season with the aid of a dog or dogs. Any person or association organized for the protection of game may run field trials at any time upon obtaining written permission from the director.

(c) Any peace officer, game warden, or other person authorized to enforce the Montana fish and game laws who witnesses any dog attacking or killing hooved game animals may destroy that dog without criminal or civil liability.

(2) The department shall have authority to allow and regulate the use of dogs for hunting mountain lion and bobcat.

**History: (1)En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 3, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; Sec. 26-301, R.C.M. 1947; (2)En. Sec. 1, Ch. 184, L. 1971; amd. Sec. 4, Ch. 235, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-303.5, R.C.M. 1947; R.C.M. 1947, 26-301(part (5)(a)), (5)(b), 26-303.5.**

**87-3-125. Restrictions on use of motor vehicles while hunting.** (1) No person, while hunting game animals or game birds, may use a motor-driven vehicle other than on an established road or trail unless he has reduced a big game animal to possession and cannot easily retrieve the big game animal. In that case a motor-driven vehicle may be used to retrieve the big game animal, except in areas where more restrictive regulations apply or where the landowner has not granted such permission. After the retrieval, the motor-driven vehicle is to be returned to an established road or trail by the shortest possible route. For purposes of safety and allowing normal travel, a motor-driven vehicle may be parked on the roadside or directly adjacent to a road or trail.

(2) No person, while hunting game animals or game birds, may drive or attempt to drive, run or attempt to run, molest or attempt to molest, flush or attempt to flush, or harass or attempt to harass any game animal or game bird with the use or aid of any motor-driven vehicle.

(3) No person, while hunting game animals or game birds, may drive through any retired cropland, brush area, slough area, timber area, open prairie, or unharvested or harvested cropland, except upon an established road or trail unless written permission has been given by the landowner and is in possession of the hunter.

(4) It is unlawful for a person to use a self-propelled vehicle to intentionally concentrate, drive, rally, stir up, or harass wildlife, except predators of this state, providing that this subsection does not apply to landowners and their authorized agents engaged in the immediate protection of that landowner's property.

(5) The restrictions in subsections (1) through (3) on motor-driven vehicle use off an established road or trail apply only to hunting on state or private land, not to hunting on federal land unless the federal agency specifically requests or approves state enforcement.

**History:** En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 3, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(8), (9).

**Cross-References**

Landowner permission, 45-6-201, 87-3-304.

**87-3-126. Restrictions on use of aircraft or boats.** (1) No game birds or game or fur-bearing animals may be killed, taken, or shot at from any aircraft including helicopters; nor may any aircraft or helicopter be used for the purpose of concentrating, pursuing, driving, rallying, or stirring up any game or migratory birds or game or fur-bearing animals; nor may any powerboat, sailboat, or any boat under sail or any floating device towed by a powerboat, sailboat, or any boat under sail be used for the purpose of killing, capturing, taking, pursuing, concentrating, driving, or stirring up any upland game birds or game or fur-bearing animals.

(2) It is unlawful for any person airborne in any aircraft, including a helicopter, to spot or locate any game or fur-bearing animals and communicate the location thereof to any person on the ground by means of any air-to-ground communication signal or device whatsoever as an aid to hunting or pursuing wildlife.

(3) Within the boundaries of a national forest, except as permitted by the department, it is unlawful to use aircraft, including helicopters, for hunting purposes, except when persons or cargo are loaded and unloaded at federal aviation agency approved airports, aircraft landing fields, or heliports which have been established on private property or which have been established by any federal, state, county, or municipal governmental body. Hunting purposes include the transportation of hunters or wildlife and hunting equipment and supplies. The provisions of this subsection do not apply during emergency situations or when search and rescue operations are being conducted or for predator control as permitted by the department of livestock.

**History:** En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 5, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(2).

**Cross-References**

Department of Livestock predatory animal control program, Title 81, ch. 7, part 1.

**87-3-127. Taking of stock-killing animals.** (1) Livestock owners or employees of the department or the federal fish and wildlife service may use dogs in pursuit of stock-killing bears, stock-killing mountain lions, and stock-killing bobcats. Other means of taking stock-killing bears, stock-killing mountain lions, and stock-killing bobcats may be used except the use of the deadfall.

(2) Traps used in capturing bears shall be inspected twice each day with the inspections 12 hours apart.

**History: En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 3, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(part (5)(a)).**

**Cross-References**

Restrictions on hunting with dogs, 87-3-124.

**87-3-128. Exceptions — department personnel.** The provisions of this chapter relating to methods of herding, driving, capturing, taking, locating, or concentrating of fish, game animals, game birds, or fur-bearing animals do not apply to the department or to any employee thereof while acting within the scope and course of the powers and duties of the department.

**History: En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; R.C.M. 1947, 26-301(10); amd. Sec. 9, Ch. 44, L. 1979.**

**87-3-129. Exception in cases of extreme hunger.** When it is shown that any violation of the provisions of this title was for the purpose of preventing great suffering by hunger of any person which could not otherwise have been avoided, the provisions of this title shall not apply to the case.

**History: En. Sec. 79, Ch. 173, L. 1917; re-en. Sec. 3758, R.C.M. 1921; re-en. Sec. 3758, R.C.M. 1935; amd. Sec. 25, Ch. 9, L. 1977; R.C.M. 1947, 26-1006.**

**87-3-130. Taking of wildlife to protect persons or livestock.** Nothing in this chapter may be construed to impose, by implication or otherwise, criminal liability for the taking of wildlife protected by this chapter if such wildlife is molesting, assaulting, killing, or threatening to kill any person or livestock. Any person who so takes any wildlife protected by this chapter shall notify the department within 72 hours.

**History: En. Sec. 1, Ch. 306, L. 1981.**

**Cross-References**

Crop damage by wild animals, 87-1-225, 87-1-226, 87-1-304.

Permit for removal of beaver and dams, 87-3-501.

**87-3-131 through 87-3-140 reserved.**

**87-3-141. Definitions.** As used in 87-3-141 through 87-3-144, the following definitions apply:

(1) "Taking" means the pursuit, hunting, trapping, shooting, or killing of a wild animal on land upon which the affected person has the right or privilege to pursue, hunt, trap, shoot, or kill the wild animal.

(2) "Wild animal" means any game animal, fur-bearing animal, or predatory animal, as defined in 87-2-101.

**History: En. Sec. 1, Ch. 492, L. 1987.**

**87-3-142. Harassment prohibited.** (1) No person may intentionally interfere with the lawful taking of a wild animal by another.

(2) No person may, with intent to prevent or hinder its lawful taking, disturb a wild animal or engage in an activity or place in its way any object or substance that will tend to disturb or otherwise affect the behavior of a wild animal.

(3) No person may disturb an individual engaged in the lawful taking of a wild animal with intent to dissuade the individual or otherwise prevent the taking of the animal.

(4) Nothing in this section prohibits a landowner or lessee from taking reasonable measures to prevent imminent danger to domestic livestock and equipment.

**History: En. Sec. 2, Ch. 492, L. 1987.**

**87-3-143. Penalty.** A person convicted of a violation of 87-3-142 is guilty of a misdemeanor and is punishable by a fine not to exceed $500 or imprisonment not to exceed 30 days, or both.

**History: En. Sec. 3, Ch. 492, L. 1987.**

**87-3-144. Injunction.** A court of general jurisdiction may enjoin conduct in violation of 87-3-142 upon petition by a person affected or who reasonably may be affected by such conduct and upon a showing that such conduct is threatened or that it has occurred on a particular premises in the past and that it is not unreasonable to expect that under similar circumstances it will be repeated.

**History: En. Sec. 4, Ch. 492, L. 1987.**

## Part 2

## Fish

**87-3-201. Department control over fish hatcheries.** The department has full control of all state fish hatcheries and is responsible for their construction, maintenance, and operation. All that construction work done under contract or otherwise shall be done under control and supervision of the director. The department shall administer the taking and collecting of all spawn, the hatching of all spawn and eggs, and the rearing, propagation, and distribution of fry, fingerlings, and fish. The department may purchase as many eyed eggs as are necessary to keep the hatcheries of the state supplied with eggs and in full operation. The department shall make every reasonable effort to collect sufficient eggs from the public streams or lakes of this state to supply the hatcheries and for that purpose may build, equip, and use fish traps and nets at any time of the year in all public waters. The department may purchase the eyed eggs of fish not propagated in this state for the purpose of stocking the waters of this state.

**History: En. Sec. 17, Ch. 193, L. 1921; re-en. Sec. 3666, R.C.M. 1921; amd. Sec. 10, Ch. 192, L. 1925; re-en. Sec. 3666, R.C.M. 1935; amd. Sec. 4, Ch. 81, L. 1951; amd. Sec. 15, Ch. 511, L. 1973; R.C.M. 1947, 26-117.**

**Cross-References**

Construction or renovation of fish hatcheries, 17-5-416.

Acquisition, importation, and propagation of fish, 87-1-221.

Nurseries and rearing ponds, 87-1-222.

**87-3-202. Supervision over fish hatcheries by director.** The director has general supervision over all fish hatcheries in the state. The output of all hatcheries shall be used to stock the lakes and streams of the state and shall be for free and impartial distribution. Distribution shall be under the direction of the department subject to an official order of the director. The director may exchange spawn or fish with other states or persons for distribution in this state.

**History: En. Sec. 15, Ch. 193, L. 1921; re-en. Sec. 3664, R.C.M. 1921; amd. Sec. 8, Ch. 192, L. 1925; re-en. Sec. 3664, R.C.M. 1935; amd. Sec. 2, Ch. 81, L. 1951; amd. Sec. 15, Ch. 177, L. 1965; amd. Sec. 14, Ch. 511, L. 1973; R.C.M. 1947, 26-115.**

**Cross-References**

Nurseries and rearing ponds, 87-1-222.

**87-3-203. Restrictions on use of fish as bait.** The department may prohibit the use of small fish as bait for catching fish in such waters as the department designates. It may promulgate such other rules as are necessary to insure an adequate supply of fish in such waters and may regulate fishing from boats or other floating devices and the use of fishing lures or baits in all waters of the state.

**History: En. Sec. 3694.3, R.C.M. 1935 by Sec. 1, Ch. 100, L. 1949; amd. Sec. 1, Ch. 153, L. 1951; amd. Sec. 2, Ch. 113, L. 1975; amd. Sec. 37, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-344(1).**

**Cross-References**

Boating regulations, 23-2-504, 87-1-303.

Operation of boats near fishermen, 23-2-525.

**87-3-204. Restrictions on fishing methods.** (1) No game fish may be caught, captured, or taken or attempted to be caught, captured, or taken by the aid or with the use of any gun or trap, nor may any such set gun, trap, or other device to entrap game fish be used, made, or set.

(2) It is unlawful for a person to take or catch fish in any of the waters of this state, except with hook and line held in hand or line and hook attached to rod or pole held in hand; to take or catch fish with hook baited with any poisonous substance or by means of the use of any poisonous substance, including fish berries; or to take or catch fish by means of the use of fishtraps, grabhooks, seines, nets, or other similar means for catching fish.

(3) The department may designate such waters within the state of Montana wherein, in the judgment of the department, spears or gigs may be used for taking walleyed pike, sauger, northern pike, and nongame fish and traps, seines, nets, and rubber or spring-propelled spears, when employed by sportsmen swimming or submerged in the water, may be used for the taking of designated species of fish. The waters so designated may be closed at the

discretion of the department. The taking of all fish by such means in the waters, when so designated, is to be done under such rules as the department may prescribe with reference thereto and under the supervision of the department. All such nongame fish so taken may be possessed and sold in such manner and under such restrictions as the department may direct. All fish, other than those herein designated, so taken under department rules, when prescribed by the department, shall be returned uninjured to the waters from which they were taken.

(4) The taking of black bass in Flathead Lake may be permitted by the department.

(5) The department shall have the power to designate certain waters where setlines may be used to fish for certain species of game or nongame fish, and the department may designate the number of hooks and lines and the length of line or lines which may be used as setlines.

(6) Game fish shall be taken only by angling; that is, by hook and single line in hand or single rod in hand or within immediate control. This does not prevent, however:

(a) the snagging of paddlefish, coho (silver salmon), and kokanee (sockeye salmon) when the department declares an open season when paddlefish, coho (silver salmon), and kokanee (sockeye salmon) may be taken by snagging;

(b) the taking of paddlefish, channel catfish, and nongame fish with longbow and arrow, under such rules and regulations as the fish and game commission may prescribe;

(c) the taking of walleyed pike, sauger, northern pike, burbot (ling), and nongame fish with spear or gig when the department declares an open season for taking walleyed pike, sauger, northern pike, burbot (ling), and nongame fish with spear or gig;

(d) the use of landing net or gaff to land a game fish after the same has been hooked by angling as above specified;

(e) the taking of minnows other than game fish variety by the use or aid of a net not to exceed 12 feet in length and 4 feet in width in such waters as may be designated by the department;

(f) the taking of whitefish by nets or traps in the Kootenai River and in its tributary streams within 1 mile of the Kootenai River, under such rules and regulations as the fish and game commission may prescribe; or

(g) the taking of any game fish through a hole in ice with an unattended line or rod as long as the angler is in the vicinity and within visual contact of the line or rod.

**History: Ap. p. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 3, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; Sec. 26-301, R.C.M. 1947; Ap. p. Sec. 22, Ch. 173, L. 1917; re-en. Sec. 3714, R.C.M. 1921; amd. Sec. 16, Ch. 77, L. 1923; amd. Sec. 25, Ch. 192, L. 1925; amd. Sec. 18, Ch. 59, L. 1927; re-en. Sec. 3714, R.C.M. 1935; amd. Sec. 1, Ch. 44, L. 1959; amd. Sec. 2, Ch. 90, L. 1969; amd. Sec. 1, Ch. 8, L. 1971; amd. Sec. 36, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-332,**

**R.C.M. 1947; R.C.M. 1947, 26-301(part (1)(a)), (6), (7), 26-332; amd. Sec. 1, Ch. 50, L. 1979; amd. Sec. 1, Ch. 267, L. 1983; amd. Sec. 1, Ch. 149, L. 1987; amd. Sec. 1, Ch. 211, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted (6)(g) permitting a person to ice fish with unattended line or rod if within visual contact with line or rod. Amendment effective March 21, 1989.

**Cross-References**

Seasonal rules adopted annually, 2-4-102.

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Sale of whitefish netted or trapped in Kootenai, 87-4-601.

**87-3-205. Unlawful to possess net or seine — exceptions.** (1) It is unlawful for any person or persons to have in their possession or under their control any seine, net, or other similar device for capturing fish. A seine or net found in any vehicle, at the camp, or on the premises of any person shall be prima facie evidence that the seine, net, or similar device belongs to the person or persons occupying said camp or premises.

(2) Nothing contained herein shall apply to:

(a) the owners of private fish ponds, as defined under the statute;

(b) a person or persons having unexpired seine or net license, as provided for in the statutes of Montana;

(c) the use, by any person, of a landing net in connection or in addition to pole, line, and hooks in fishing for game fish; or

(d) the possession of traps, seines, or nets where found in the vicinity of any waters which the department has designated within the state where traps, seines, or nets may be used for the taking of nongame fish and Dolly Varden trout, as provided for in the statutes of Montana.

**History: En. Sec. 25, Ch. 173, L. 1917; re-en. Sec. 3716, R.C.M. 1921; amd. Sec. 1, Ch. 113, L. 1933; re-en. Sec. 3716, R.C.M. 1935; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-334.**

**Cross-References**

Seining license, 87-4-602.

**87-3-206. Unlawful to use explosives or poisons in taking fish.** (1) If any person or persons shall use any carbide, lime, giant powder, dynamite, or other explosive compounds or any corrosive or narcotic poison or other deleterious substance or have any of the same in his possession within 100 feet of any stream where fish are found for the purpose of catching, stunning, or killing fish, he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished as provided by law.

(2) The provisions of this section shall not apply to anyone duly authorized by the department to conduct lake or stream surveys or to control undesirable or overpopulated species of fish.

**History: En. Sec. 26, Ch. 173, L. 1917; re-en. Sec. 3717, R.C.M. 1921; amd. Sec. 24, Ch. 192, L. 1925; amd. Sec. 1, Ch. 82, L. 1933; re-en. Sec. 3717, R.C.M. 1935; amd. Sec. 1, Ch. 101, L. 1949; amd. Sec. 1, Ch. 114, L. 1955; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-335.**

**Cross-References**

Taking fish for scientific purposes, 87-2-806.

Taking of endangered species for educational, scientific, or other purposes, 87-5-109.

**87-3-207. Unlawful to place caged fish in public waters — exception.** It shall be unlawful for any person, firm, or corporation to place or cause to be placed caged live fish in any of the public waters of the state of Montana, except as provided by department regulation.

**History: En. Sec. 1, Ch. 126, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-813.**

**87-3-208. Regulation of placing of caged fish.** The department shall have the authority to regulate the placing of caged fish in public waters to protect the recreational and aesthetic use of such water from pollution, excessive private use, and the introduction of disease.

**History:** En. Sec. 2, Ch. 126, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-814.

**87-3-209. Intrastate movement of diseased fish or eggs unlawful.** It is unlawful to move live or dead salmonid fish or eggs from one in-state location to another when the fish or eggs are known to be infected with fish pathogens specified by the department as posing a threat to fisheries without written department approval.

**History:** En. Sec. 2, Ch. 376, L. 1989.

**87-3-210. Permit required for importation of nonsalmonid fish or eggs.** Except when intended for use in home or office aquariums, importations of live nonsalmonid fish or eggs must be accompanied by a permit as described for salmonids in 87-3-221(2). The permit may require that the importation be inspected and approved by a department biologist prior to release or placement.

**History:** En. Sec. 4, Ch. 376, L. 1989.

**Cross-References**

Importation permits and health certificates for animals, Title 81, ch. 2, part 7.

**87-3-211 through 87-3-220 reserved.**

**87-3-221. Importation of salmonid fish or eggs unlawful — exception — certification — permit.** (1) It is unlawful to bring live or dead salmonid fish or eggs into the state of Montana for any purpose unless the importations are shipped direct from the source to destination and a written certification that the source is free of all fish pathogens specified by the department as posing a threat to existing fisheries accompanies the shipment. Certification must be made by a fish pathologist approved by the director. Certification of the source may be by inspection conducted annually or at such other times as the director may order.

(2) In addition to the certification required in subsection (1), all importations of live salmonid fish or eggs must be accompanied by a permit issued by the department. The department shall issue an import permit upon application to the department showing that the proposed importations present no substantial threat to the health of state fisheries. The department may condition the permit as necessary to protect fisheries from the introduction and spread of pathogens. Import permits apply to all importations from specified and certified species and sources by a permittee until January 31 of the year succeeding the year of issuance, when the permit expires. However, a separate permit is required for importations by a permittee for species or from sources unspecified in his other permit or permits. It is unlawful to import live salmonid fish or eggs into Montana without first obtaining the permit required by this subsection or to violate any conditions of the permit.

**History:** En. Sec. 1, Ch. 10, L. 1969; amd. Sec. 1, Ch. 37, L. 1974; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1701; amd. Sec. 2, Ch. 218, L. 1979; amd. Sec. 1, Ch. 376, L. 1989.

**Compiler's Comments**

*1989 Amendment:* In (1) substituted "source" for "hatchery where reared", after "certification" deleted "is provided", after "that the" deleted "importation or", after "free of" substituted "all fish pathogens specified by" for "such infectious organisms as", after "department" deleted "may specify" and inserted "as posing a threat to existing fisheries accompanies the shipment", in second sentence, after "made", deleted "in the state of origin", after "pathologist" deleted reference to designation by Secretary of Interior or state Fish, Wildlife, and Parks Director, inserted "approved by the", in fourth sentence, after "inspection", deleted "of the hatchery of origin", after "as the" deleted "state fish, wildlife, and parks", and deleted last sentence requiring copy of certification to accompany shipment; inserted (2) requiring permits for importation of salmonid fish or eggs; and made minor changes in style.

**Cross-References**

Importation permits and health certificate for animals, Title 81, ch. 2, part 7.

**87-3-222. When certification unnecessary.** (1) Nothing in 87-3-221 through 87-3-224 or 87-3-209 may restrict the importation and transportation of dead salmonid fish or eggs when the fish or eggs have been processed or prepared in a manner that kills those fish pathogens specified by the department as posing a threat to fisheries.

(2) Dead salmonid fish or eggs transported into Montana for processing or caught wild are exempt from the requirement for certification. However, it is unlawful to discard, place, or allow uncertified salmonid fish, parts, or eggs that have been transported into Montana to enter into surface waters other than sewage or disposal systems.

**History: En. Sec. 2, Ch. 10, L. 1969; amd. Sec. 2, Ch. 37, L. 1974; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1702; amd. Sec. 3, Ch. 376, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) inserted "or 87-3-209 may" and after "manner" substituted "that kills those fish pathogens specified by the department as posing a threat to fisheries" for "whereby such infectious organisms as the department may specify have been killed"; in (2) substituted "dead salmonid fish or eggs" for "salmon caught and brought directly into North America and", after "processing" deleted "or sale", after "wild" deleted "in North America shall be", and inserted second sentence prohibiting placement of uncertified salmonid fish, parts, or eggs into surface waters; and made minor changes in style and grammar.

**87-3-223. Authorization for rules and personnel.** The department may promulgate such rules and regulations and may employ such personnel for testing and inspection as are necessary to carry out the provisions of 87-3-221 through 87-3-224.

**History: En. Sec. 4, Ch. 10. L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1704.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-3-224. Enforcement.** The cargo and vehicle involved in a violation of 87-3-209 and 87-3-210 or 87-3-221 through 87-3-223 may, at the option of the department, either be denied the right to proceed further within the state of Montana or be quarantined until inspected by a designated biologist from the department. The department shall inform the department of highways of the provisions regarding importation of salmonid and nonsalmonid fish and eggs so that the department of highways may enforce the provisions at ports of entry and checking stations under 60-2-303.

**History: En. Sec. 5, Ch. 10, L. 1969; amd. Sec. 3, Ch. 37, L. 1974; amd. Sec. 52, Ch. 9, L. 1977; R.C.M. 1947, 26-1705; amd. Sec. 5, Ch. 376, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted "87-3-209 and 87-3-210 or", in second sentence, after "salmonid", inserted "and nonsalmonid", and made minor changes in style.

**87-3-225. Inspection, quarantine, and disinfection of fish hatcheries and culture facilities.** (1) The department may conduct inspections for the presence of fish pathogens at any fish hatchery or culture facility. Inspections may be conducted at the request of the hatchery or facility or by order of the department. The expense of inspection must be paid by the hatchery or facility requesting the inspection or by the department when the inspection is ordered by the department.

(2) When a fish hatchery or culture facility is found to be contaminated or to contain fish or eggs infected with specified fish pathogens, the department may order appropriate action, including quarantine, destruction of infected fish or eggs, or disinfection of all or part of the hatchery or facility. An order for destruction of infected fish or eggs may not be issued unless the infection is confirmed by two laboratories. The owner of the hatchery or facility is liable for all costs and expenses associated with the cleanup and the disposition of infected fish or eggs. When destruction of eggs is ordered at a private facility and the department has surplus eggs available, the department may replace the destroyed eggs without charge to the private facility.

**History:** **En. Sec. 6, Ch. 376, L. 1989.**

**Cross-References**

Construction and maintenance of fish hatcheries and fish ladders, 87-1-222.

**87-3-226. Duty to report fish pathogens.** A person, including the owner or custodian of a fish hatchery or culture facility, who has reason to suspect the presence of fish pathogens specified by the department as posing a threat to existing fisheries shall immediately give notice to the department.

**History:** **En. Sec. 7, Ch. 376, L. 1989.**

**87-3-227. Civil liability.** A person, firm, or corporation that violates any provision of this part pertaining to fish disease or rules or orders of the department is liable for damages caused by the violation. The damages may be recovered by the person, firm, or corporation damaged or by the department on behalf of the public in a civil action in a court of competent jurisdiction. All money collected by the department under this section must be deposited in the state special revenue fund as provided in 87-1-601(1).

**History:** **En. Sec. 8, Ch. 376, L. 1989.**

## Part 3

## Game Animals

**87-3-301. Shotgun loads regulated by department.** No person may use a shotgun to hunt, kill, or shoot deer or elk except with weapon type and loads as specified by the department.

**History:** **En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; R.C.M. 1947, 26-301(4); amd. Sec. 2, Ch. 517, L. 1987.**

**Cross-References**
Use of muzzleloaders authorized, 87-1-304.

**87-3-302. Colored garments required on big game hunters.** (1) It is unlawful for any person to hunt any of the big game animals in this state or to accompany any hunter as an outfitter or guide under any of the provisions of the laws of this state without the person wearing as exterior garments above the waist a total of not less than 400 square inches of hunter orange material visible at all times while hunting.

(2) "Hunter orange" means a daylight fluorescent orange color.

(3) This section does not apply to any person hunting with a bow and arrow during the special archery season.

(4) The department shall make rules to implement this section.

(5) Any person convicted of a violation of any of the provisions of this section shall be deemed guilty of a misdemeanor and shall be punished by a fine of not less than $10 or more than $20.

**History: (1) thru (4)En. Sec. 1, Ch. 74, L. 1937; amd. Sec. 1, Ch. 12, L. 1961; amd. Sec. 1, Ch. 305, L. 1971; amd. Sec. 1, Ch. 20, L. 1974; amd. Sec. 10, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-302, R.C.M. 1947; (5)En. Sec. 2, Ch. 74, L. 1937; amd. Sec. 2, Ch. 20, L. 1974; Sec. 26-303, R.C.M. 1947; R.C.M. 1947, 26-302, 26-303.**

**Cross-References**
Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.
Failure to assist injured person, 45-8-113.

**87-3-303. Policy toward nonresident big game hunters.** It shall be the policy of this state to protect and preserve game animals primarily for the citizens of this state and to avoid the deliberate waste of wildlife and destruction of property by nonresidents licensed to hunt in this state.

**History: En. Sec. 1, Ch. 229, L. 1965; R.C.M. 1947, 26-303.1.**

**87-3-304. Landowner's permission required for big game hunting.** Every resident and nonresident must have obtained permission of the landowner, lessee, or their agents before hunting big game animals on private property.

**History: En. Sec. 3, Ch. 229, L. 1965; R.C.M. 1947, 26-303.3.**

**Cross-References**
Failure to close fence as criminal mischief, 45-6-101.
Definition of "enter or remain unlawfully", 45-6-201.
Criminal trespass to property, 45-6-203.
Landowner liability to gratuitous permittee, 70-16-301, 70-16-302.
Hunting easements, 70-17-101, 70-17-102.
Use of snares and traps with permission of landowner, 87-2-604, 87-3-107.
Landowner permission to use motor vehicles, 87-3-125.

**87-3-305. Unlawful to take deer within city or town boundaries.** It is unlawful to shoot, kill, take, or cause to be shot, killed, taken, or captured or to attempt to shoot, kill, take, or capture any deer within the boundaries of any incorporated or unincorporated city or town of this state.

**History: En. Sec. 2, Ch. 123, L. 1933; re-en. Sec. 3697.1, R.C.M. 1935; amd. Sec. 2, Ch. 465, L. 1977; R.C.M. 1947, 26-315.**

**Cross-References**
Firing firearms within city prohibited, 45-8-343.

**87-3-306. Unlawful to destroy evidence of sex.** It is unlawful for any person killing a big game animal within this state to destroy evidence of the sex of the big game animal so killed so as to make the determination of the sex thereof uncertain.

**History:** En. Sec. 16a, Ch. 238, L. 1921; amd. Sec. 3698, R.C.M. 1921; amd. Sec. 18, Ch. 192, L. 1925; re-en. Sec. 3698, R.C.M. 1935; amd. Sec. 7, Ch. 224, L. 1947; amd. Sec. 1, Ch. 99, L. 1949; amd. Sec. 33, Ch. 9, L. 1977; R.C.M. 1947, 26-317.

**87-3-307. Contests based on size of game animals unlawful.** (1) Except as provided in this section, it is unlawful for any person, as defined in 87-2-101, to conduct or sponsor in any manner a contest in which a prize is offered to a person who kills a game animal possessing the largest antlers or horns, carrying the greatest weight, having the longest body, or any similar contest based upon the size or weight of a game animal or part of a game animal.

(2) This section does not apply to recognition given by the nationally established and recognized Boone and Crockett trophy institute.

**History:** En. Sec. 1, Ch. 133, L. 1961; amd. Sec. 47, Ch. 9, L. 1977; R.C.M. 1947, 26-811.

**Cross-References**

Fixing of bag and possession limits, 87-1-304.

Bag limit prizes, 87-3-121.

## Part 4

## Game Birds

**87-3-401. Restrictions on rifles for bird hunting.** Rifles may not be used to hunt or shoot upland game birds unless the use of rifles is permitted by the department. This does not prohibit the shooting of wild waterfowl from blinds over decoys with a shotgun only, not larger than a number 10 gauge, fired from the shoulder.

**History:** En. Sec. 14, Ch. 238, L. 1921; re-en. Sec. 3694, R.C.M. 1921; amd. Sec. 5, Ch. 77, L. 1923; amd. Sec. 15, Ch. 192, L. 1925; amd. Sec. 12, Ch. 59, L. 1927; amd. Sec. 1, Ch. 162, L. 1931; amd. Sec. 1, Ch. 159, L. 1941; amd. Sec. 5, Ch. 224, L. 1947; amd. Sec. 1, Ch. 157, L. 1949; amd. Sec. 1, Ch. 126, L. 1951; amd. Sec. 1, Ch. 223, L. 1953; amd. Sec. 1, Ch. 193, L. 1955; amd. Sec. 1, Ch. 53, L. 1963; amd. Sec. 1, Ch. 34, L. 1967; amd. Sec. 1, Ch. 90, L. 1969; amd. Sec. 1, Ch. 201, L. 1969; amd. Sec. 1, Ch. 177, L. 1971; amd. Sec. 1, Ch. 124, L. 1973; amd. Sec. 1, Ch. 305, L. 1973; amd. Sec. 1, Ch. 108, L. 1975; amd. Sec. 1, Ch. 152, L. 1975; amd. Sec. 9, Ch. 9, L. 1977; amd. Sec. 1, Ch. 196, L. 1977; amd. Sec. 5, Ch. 235, L. 1977; amd. Sec. 1, Ch. 400, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 1, Ch. 485, L. 1977; R.C.M. 1947, 26-301(part(1)(a)).

**87-3-402. Unlawful to violate closed season on certain game birds.** It is unlawful for any person to hunt, shoot, kill, capture, possess, or cause to be hunted, killed, or captured or attempt to shoot, kill, or capture any quail, Chinese or Mongolian pheasant (commonly called ring-necked pheasant), Hungarian partridge, chukar partridge, sage grouse, sharp-tailed grouse, blue grouse, fool hen, prairie chicken, ruffed grouse, ptarmigan, or wild turkey until such time as the department shall provide an open season on any quail, Chinese or Mongolian pheasant (commonly called ring-necked pheasant), Hungarian partridge, chukar partridge, sage grouse, sharp-tailed grouse, blue grouse, fool hen, prairie chicken, ruffed grouse, ptarmigan, or wild turkey.

**History:** En. Sec. 18, Ch. 238, L. 1921; re-en. Sec. 3700, R.C.M. 1921; amd. Sec. 10, Ch. 77, L. 1923; amd. Sec. 20, Ch. 192, L. 1925; amd. Sec. 14, Ch. 59, L. 1927; re-en. Sec. 3700, R.C.M.

**1935; amd. Sec. 1, Ch. 134, L. 1951; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 3, Ch. 465, L. 1977; R.C.M. 1947, 26-319.**

**Cross-References**

Fixing of seasons by Commission, 87-1-304.

Mourning dove as migratory game bird — season restricted, 87-2-101.

Misdemeanor to hunt during closed season, 87-3-104.

**87-3-403. Migratory game birds — closed season and bag limits.** Laws relating to migratory birds are prescribed by the regulations of the United States department of interior and the fish and wildlife service. Open season, bag limit, and other rules and regulations are announced each year by proclamation by the president of the United States. After each proclamation, the department by proper action will adopt, advertise, and enforce such proclaimed regulations as may be applicable to the state of Montana. Any person or persons violating any provisions of this section shall be guilty of a misdemeanor and on conviction thereof shall be punished as provided by law.

**History: En. Sec. 20, Ch. 238, L. 1921; re-en. Sec. 3703, R.C.M. 1921; amd. Sec. 13, Ch. 77, L. 1923; amd. Sec. 16, Ch. 59, L. 1927; re-en. Sec. 3703, R.C.M. 1935; amd. Sec. 1, Ch. 162, L. 1941; amd. Sec. 1, Ch. 113, L. 1955; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-320.**

**Cross-References**

Importation permits and health certificates, Title 81, ch. 2, part 7.

Fixing of seasons by Commission, 87-1-304.

Mourning dove as migratory game bird — season restricted, 87-2-101.

**87-3-404. Tagging of turkey.** Every person who shall take or kill any turkey shall immediately thereafter attach to the leg of said turkey the proper tag which has been validated by the holder thereof by complying with instructions on said tag.

**History: En. Sec. 2, Ch. 35, L. 1959; R.C.M. 1947, 26-511.**

**Cross-References**

Wild turkey tags and fee, 87-2-403.

**87-3-405. Failure to tag turkey.** It is unlawful for any person who kills, captures, or possesses any wild turkey by authority of any turkey tag or permit to fail or neglect to attach his tag to the turkey or fail to validate his tag by filling out or punch marking the tag as required and fail to keep the tag attached while the same is possessed by him.

**History: En. Sec. 3, Ch. 35, L. 1959; amd. Sec. 41, Ch. 9, L. 1977; R.C.M. 1947, 26-512.**

**Cross-References**

Wild turkey tags and fee, 87-2-403.

## Part 5

## Fur-Bearing Animals

**87-3-501. Open and closed season for fur-bearing animals — exception.** (1) It shall hereafter be unlawful and a misdemeanor for any person to shoot, trap, kill, or capture or cause to be shot, trapped, killed, or captured or to attempt to shoot, trap, kill, or capture any marten or sable, otter, mink, muskrat, beaver, fisher, Canada lynx, or black-footed ferret until such time as the commission shall provide an open season on any marten or sable, otter, mink, muskrat, beaver, fisher, Canada lynx, or black-footed ferret.

The furs and hides of such animals legally taken during the open season may be possessed, bought, and sold at any time except as hereinafter provided.

(2) When it is shown that muskrats or beaver are doing severe injury upon or are a menace to the structures, canal banks, or other works of an irrigation project or district or stock water pond, any employee or resident landowner on such project or district may kill or trap or cause to be killed or trapped any muskrat or beaver upon or in menacing proximity to the structures, canal banks, or other works of such project or district or stock water pond during the closed season on muskrats or beaver, after having secured from the director a permit so to do, except that from June 1 to August 31, both dates inclusive, of each year no such permit shall be required.

**History: En. Sec. 21, Ch. 238, L. 1921; re-en. Sec. 3704, R.C.M. 1921; amd. Sec. 14, Ch. 77, L. 1923; amd. Sec. 22, Ch. 192, L. 1925; amd. Sec. 17, Ch. 59, L. 1927; re-en. Sec. 3704, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1943; amd. Sec. 8, Ch. 224, L. 1947; amd. Sec. 1, Ch. 132, L. 1955; amd. Sec. 1, Ch. 69, L. 1961; R.C.M. 1947, 26-321(1st part).**

**Cross-References**

Property rights in fur-bearing animals — brands, 70-2-111.

Destruction of beaver dams, 87-1-224.

License required, 87-2-103.

Registration for sale of certain grizzly bears, 87-3-110.

Unlawful to buy, sell, possess, or transport — exceptions, 87-3-111.

Sale of wildlife in commercial trade, Title 87, ch. 4, part 7.

**87-3-502. Repealed.** Sec. 1, Ch. 275, L. 1983.

**History: En. Sec. 21, Ch. 238, L. 1921; re-en. Sec. 3704, R.C.M. 1921; amd. Sec. 14, Ch. 77, L. 1923; amd. Sec. 22, Ch. 192, L. 1925; amd. Sec. 17, Ch. 59, L. 1927; re-en. Sec. 3704, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1943; amd. Sec. 8, Ch. 224, L. 1947; amd. Sec. 1, Ch. 132, L. 1955; amd. Sec. 1, Ch. 69, L. 1961; R.C.M. 1947, 26-321(2nd part).**

**87-3-503. Destruction of beaver and muskrat houses unlawful.** It shall be unlawful and punishable, as in this part provided, for any person at any time to willfully destroy, open or leave open, or partially destroy a house of any muskrat or beaver except that this shall not prohibit trapping in the house of muskrats when the commission shall authorize such trapping.

**History: En. Sec. 21, Ch. 238, L. 1921; re-en. Sec. 3704, R.C.M. 1921; amd. Sec. 14, Ch. 77, L. 1923; amd. Sec. 22, Ch. 192, L. 1925; amd. Sec. 17, Ch. 59, L. 1927; re-en. Sec. 3704, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1943; amd. Sec. 8, Ch. 224, L. 1947; amd. Sec. 1, Ch. 132, L. 1955; amd. Sec. 1, Ch. 69, L. 1961; R.C.M. 1947, 26-321(part).**

**Cross-References**

Transfer of beaver from one stream to another in grazing districts, 76-16-107.

Destruction of beaver and beaver dams for protection of public health, 87-1-224.

**87-3-504. Metal tags required on traps.** Any person trapping fur-bearing animals or predatory animals for their pelts shall fasten a metal tag to all such traps bearing in legible English the name and address of the trapper, except that no tag shall be required on traps used by landowners trapping with permit on their own land and irrigation ditch right-of-way contiguous to the land.

**History: En. Sec. 21, Ch. 238, L. 1921; re-en. Sec. 3704, R.C.M. 1921; amd. Sec. 14, Ch. 77, L. 1923; amd. Sec. 22, Ch. 192, L. 1925; amd. Sec. 17, Ch. 59, L. 1927; re-en. Sec. 3704, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1943; amd. Sec. 8, Ch. 224, L. 1947; amd. Sec. 1, Ch. 132, L. 1955; amd. Sec. 1, Ch. 69, L. 1961; R.C.M. 1947, 26-321(part).**

**Cross-References**

Use of snare traps — tagging, 87-3-107.

**87-3-505. Penalty.** Any person violating any of the provisions of this part shall be guilty of a misdemeanor and upon conviction thereof shall be punished as provided by law.

**History:** **En. Sec. 21, Ch. 238, L. 1921; re-en. Sec. 3704, R.C.M. 1921; amd. Sec. 14, Ch. 77, L. 1923; amd. Sec. 22, Ch. 192, L. 1925; amd. Sec. 17, Ch. 59, L. 1927; re-en. Sec. 3704, R.C.M. 1935; amd. Sec. 1, Ch. 95, L. 1943; amd. Sec. 8, Ch. 224, L. 1947; amd. Sec. 1, Ch. 132, L. 1955; amd. Sec. 1, Ch. 69, L. 1961; R.C.M. 1947, 26-321(part).**

**Cross-References**

Fish and game violations generally, 87-1-102.

**87-3-506. Wasting of fur-bearing animals.** (1) A person who fails to pick up traps or snares at the end of the trapping season or attends his traps or snares so that fur-bearing animals are wasted is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

(2) The department of fish, wildlife, and parks shall enforce the provisions of this section.

(3) Federal, state, and county predator control programs are exempt from this section.

**History:** **En. Secs. 1, 2, 3, Ch. 629, L. 1979.**

**Cross-References**

Waste of fish or game, 87-3-102.

**87-3-507. Unlawful to disturb traps or trapped animals belonging to another — exception.** (1) No person may destroy, disturb, or remove any trap or snare belonging to another person or remove wildlife from a trap or snare belonging to another person without permission of the owner of the trap or snare, except that from March 1 to October 1 of each year a person may remove any snare from land owned or leased by him if such snare would endanger livestock.

(2) This section does not apply to a law enforcement officer acting within the scope of his duty.

**History:** **En. Sec. 1, Ch. 495, L. 1983.**

**Cross-References**

Criminal mischief, 45-6-101.

Theft, 45-6-301.

## CHAPTER 4

## COMMERCIAL ACTIVITIES

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### (Renumbered and Repealed.
### Sec. 11, 12, Ch. 528, L. 1987)

### Part 2 — Taxidermists

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87-4-603. Fish pond license for artificial lake or pond — records.
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87-4-605. Records and report of whitefish sales by fishing license holders.
87-4-606. Term of license — license not transferable.
87-4-607. Revocation of fish pond license.
87-4-608 reserved.
87-4-609. Regulation of commercial taking of aquatic fish food organisms — permit — rulemaking authority.
87-4-610. Fees for commercial taking of aquatic fish food organisms — use of fees.

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87-4-1003. Application for license.
87-4-1004. License and renewal fee — deposit.
87-4-1005. Term of license — conditions — changes in operation.
87-4-1006. License nontransferable.
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87-4-1009. Transportation of furbearers.
87-4-1010. Sale of furs.
87-4-1011. Records and reporting.
87-4-1012. Rulemaking.
87-4-1013. Revocation of license.
87-4-1014. Unlawful capture.

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**Chapter Cross-References**

Small business licensing coordination, Title 30, ch. 16, part 2.

Licensing and regulation of outfitters and guides, Title 37, ch. 47.

Penalty provisions, 87-1-102.

## Part 1

## Outfitters and Guides (Renumbered and Repealed. Sec. 11, 12, Ch. 528, L. 1987)

**Part Compiler's Comments**

*Sections Renumbered and Repealed:*

**87-4-101.** Renumbered 37-47-101.
**87-4-102.** Renumbered 37-47-102.

**87-4-103.** Renumbered 37-47-404.

**87-4-104.** Renumbered 37-47-201.

**87-4-105.** Repealed. Sec. 12, Ch. 528, L. 1987.

**87-4-106.** Repealed. Sec. 12, Ch. 528, L. 1987.

**87-4-107 through 87-4-120** reserved.

**87-4-121.** Renumbered 37-47-301.

**87-4-122.** Renumbered 37-47-302.

**87-4-123.** Renumbered 37-47-303.

**87-4-124.** Renumbered 37-47-304.

**87-4-125.** Renumbered 37-47-305.

**87-4-126.** Repealed. Sec. 11, Ch. 239, L. 1983.

**87-4-127.** Renumbered 37-47-306.

**87-4-128.** Renumbered 37-47-307.

**87-4-129.** Renumbered 37-47-308.

**87-4-130.** Renumbered 37-47-309.

**87-4-131.** Renumbered 37-47-310.

**87-4-132.** Renumbered 37-47-311.

**87-4-133.** Renumbered 37-47-312.

**87-4-134 through 87-4-140** reserved.

**87-4-141.** Renumbered 37-47-341.

**87-4-142.** Renumbered 37-47-342.

**87-4-143.** Renumbered 37-47-343.

**87-4-144.** Repealed. Sec. 12, Ch. 528, L. 1987.

**87-4-145 through 87-4-160** reserved.

**87-4-161.** Renumbered 37-47-401.

**87-4-162.** Renumbered 37-47-402.

**87-4-163.** Renumbered 37-47-403.

*Histories of Repealed Sections:*

**87-4-105.** En. Sec. 5, Ch. 221, L. 1971; amd. Sec. 39, Ch. 511, L. 1973; amd. Sec. 18, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-912; amd. Sec. 6, Ch. 545, L. 1981.

**87-4-106.** En. Sec. 6, Ch. 221, L. 1971; amd. Sec. 19, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-913; amd. Sec. 7, Ch. 545, L. 1981.

**87-4-126.** En. Sec. 8, Ch. 221, L. 1971; amd. Sec. 13, Ch. 94, L. 1973; amd. Sec. 3, Ch. 541, L. 1975; amd. Sec. 21, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-915(6), (7); amd. Sec. 13, Ch. 545, L. 1981.

**87-4-144.** En. Sec. 14, Ch. 221, L. 1971; amd. Sec. 40, Ch. 511, L. 1973; amd. Sec. 24, Ch. 9, L. 1977; R.C.M. 1947, 26-921; amd. Sec. 21, Ch. 545, L. 1981.

## Part 2

## Taxidermists

**Part Cross-References**

Penalties cumulative, 87-1-102.

**87-4-201. Taxidermist's license, fee, and penalty.** A person who engages in conducting any taxidermy business, as the term is generally understood, or any person who conducts a business for the purpose of mounting, preserving, or preparing any of the dead bodies of any wildlife or any part thereof must first obtain from the director a taxidermist's license and pay an annual license fee of $15 therefor. Such person shall keep a written record of all the articles of wildlife in his possession or control, the kind and number of each, by whom owned, and the residence of owner, all the articles of wildlife shipped and to whom and where shipped. The above record shall be kept for as long as such articles remain in the possession of the licensee but in any event at least 5 years. These records shall be open to inspection by any state game warden at any reasonable time. In all cases of conviction of violation of this section, the license of the person convicted may be revoked by the court.

**History:** En. Sec. 72, Ch. 173, L. 1917; re-en. Sec. 3751, R.C.M. 1921; amd. Sec. 24, Ch. 77, L. 1923; re-en. Sec. 3751, R.C.M. 1935; amd. Sec. 26, Ch. 224, L. 1947; amd. Sec. 1, Ch. 12, L. 1959; amd. Sec. 1, Ch. 10, L. 1974; amd. Sec. 48, Ch. 9, L. 1977; amd. Sec. 1, Ch. 129, L. 1977; R.C.M. 1947, 26-907.

**Cross-References**

Effect of failure to comply with licensing requirements, 7-21-2113.

## Part 3

## Fur Dealers

**Part Cross-References**

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Fur farms, Title 87, ch. 4, part 10.

**87-4-301. Fur dealers defined.** (1) Any person or persons, firm, company, or corporation engaging in, carrying on, or conducting wholly or in part the business of buying or selling, trading, or dealing within the state of Montana in the skins or pelts of any animal or animals designated by the laws of Montana as fur-bearing or predatory animals shall be deemed a fur dealer within the meaning of this part.

(2) If such fur dealer resides in or if his or its principal place of business is within the state of Montana, he or it shall be deemed a resident fur dealer. All other fur dealers shall be deemed nonresident fur dealers.

**History: En. Sec. 1, Ch. 42, L. 1929; re-en. Sec. 3778.3, R.C.M. 1935; R.C.M. 1947, 26-1301.**

**87-4-302. Records and inspection.** (1) A fur dealer shall keep a book in which shall be recorded separately on the date of each transaction the following facts:

(a) the number and kind of all skins or pelts purchased or sold by the fur dealer;

(b) the place where the skins or furs were killed or trapped and a separate record of all the skins or pelts as were killed or trapped outside this state;

(c) the trapping license number under which the furs or pelts were taken in cases where a trapper's license is required;

(d) the names and addresses of the persons to whom the skins or pelts were sold or from whom they were purchased.

(2) This book shall be open at all reasonable times to the inspection of the director or any warden or any United States game warden and shall be preserved and accessible for 1 year after the expiration of any license granted to the fur dealer.

**History: En. Sec. 2, Ch. 42, L. 1929; re-en. Sec. 3778.4, R.C.M. 1935; amd. Sec. 47, Ch. 511, L. 1973; R.C.M. 1947, 26-1302.**

**87-4-303. Persons required to have fur dealer's license.** A fur dealer shall, before buying, selling, or in any manner dealing in the skins or pelts of any fur-bearing or predatory animal within this state, secure a fur dealer's license from the director. No license is required for a hunter or trapper selling skins or pelts which he has lawfully taken or for a person not a fur dealer who purchases skins or pelts exclusively for his own use and not for sale.

**History: En. Sec. 3, Ch. 42, L. 1929; re-en. Sec. 3778.5, R.C.M. 1935; amd. Sec. 48, Ch. 511, L. 1973; R.C.M. 1947, 26-1303.**

**87-4-304. License classification and fees.** (1) The following classes of licenses shall be issued and the following fees charged therefor:

(a) resident fur dealer's license, $10;

(b) nonresident fur dealer's license: the fee must be the same as the fee charged in the nonresident's state of residence for a Montana fur dealer seeking licensure in that state; if the nonresident's state does not issue a nonresident fur dealer's license, the fee is $50;

(c) fur dealer's agent's license, $10.

(2) Any person who is employed by a resident or nonresident fur dealer as a traveling fur buyer shall be deemed a fur dealer's agent. A fur dealer's agent's license may be issued to any person who is employed as a fur buyer by a licensed resident or licensed nonresident fur dealer, providing that it shall be the responsibility of each and every fur dealer and fur dealer's agent to have the proper license before buying or dealing in furs as defined by 87-4-301.

**History: En. Sec. 4, Ch. 42, L. 1929; re-en. Sec. 3778.6, R.C.M. 1935; amd. Sec. 1, Ch. 69, L. 1941; amd. Sec. 1, Ch. 188, L. 1945; R.C.M. 1947, 26-1304; amd. Sec. 1, Ch. 48, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(b) substituted the reciprocal fee provisions for former fee of $50.

**87-4-305. Issuance and expiration of licenses.** The license required by this part shall be issued annually and shall expire on April 30 of each year, and no reduction in the fee charged for said license shall be made in any case where said license runs for less than 1 year.

**History: En. Sec. 5, Ch. 42, L. 1929; re-en. Sec. 3778.7, R.C.M. 1935; R.C.M. 1947, 26-1305.**

**87-4-306. Violations.** No person, firm, company, or corporation may violate any of the provisions of this part.

**History: En. Sec. 6, Ch. 42, L. 1929; re-en. Sec. 3778.8, R.C.M. 1935; amd. Sec. 33, Ch. 224, L. 1947; amd. Sec. 51, Ch. 9, L. 1977; R.C.M. 1947, 26-1306.**

**Cross-References**

Fish and game violations — penalties, 87-1-102.

## Part 4

## Game Farms

**Part Cross-References**

Minimum wage for game farm employees, 39-3-402, 39-3-404, 39-3-406.

Unemployment insurance coverage — agricultural labor, 39-51-205.

Reporting requirement when certain animals in captivity die, escape, or are otherwise disposed of, 87-1-231.

Tattoo records, 87-1-232.

Fee limitation for multiple licenses, 87-1-606.

**87-4-401 through 87-4-405. Repealed.** Sec. 51, Ch. 570, L. 1983.

**Compiler's Comments**

*Histories of Repealed Sections:*

**87-4-401.** En. Sec. 84, Ch. 173, L. 1917; amd. Sec. 1, Ch. 200, L. 1919; re-en. Sec. 3777, R.C.M. 1921; amd. Sec. 31, Ch. 192, L. 1925; amd. Sec. 1, Ch. 73, L. 1933; re-en. Sec. 3777, R.C.M. 1935; amd. Sec. 1, Ch. 120, L. 1947; amd. Sec. 1, Ch. 43, L. 1967; amd. Sec. 1, Ch. 78, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1201(part).

**87-4-402.** En. Sec. 84, Ch. 173, L. 1917; amd. Sec. 1, Ch. 200, L. 1919; re-en. Sec. 3777, R.C.M. 1921; amd. Sec. 31, Ch. 192, L. 1925; amd. Sec. 1, Ch. 73, L. 1933; re-en. Sec. 3777, R.C.M. 1935; amd. Sec. 1, Ch. 120, L. 1947; amd. Sec. 1, Ch. 43, L. 1967; amd. Sec. 1, Ch. 78, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1201(part).

**87-4-403.** En. Sec. 84, Ch. 173, L. 1917; amd. Sec. 1, Ch. 200, L. 1919; re-en. Sec. 3777, R.C.M. 1921; amd. Sec. 31, Ch. 192, L. 1925; amd. Sec. 1, Ch. 73, L. 1933; re-en. Sec. 3777, R.C.M. 1935; amd. Sec. 1, Ch. 120, L. 1947; amd. Sec. 1, Ch. 43, L. 1967; amd. Sec. 1, Ch. 78, L. 1971; R.C.M. 1947, 26-1201(part); amd. Sec. 2, Ch. 218, L. 1979.

**87-4-404.** En. Sec. 84, Ch. 173, L. 1917; amd. Sec. 1, Ch. 200, L. 1919; re-en. Sec. 3777, R.C.M. 1921; amd. Sec. 31, Ch. 192, L. 1925; amd. Sec. 1, Ch. 73, L. 1933; re-en. Sec. 3777, R.C.M. 1935; amd. Sec. 1, Ch. 120, L. 1947; amd. Sec. 1, Ch. 43, L. 1967; amd. Sec. 1, Ch. 78, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1201(part).

**87-4-405.** En. Sec. 84, Ch. 173, L. 1917; amd. Sec. 1, Ch. 200, L. 1919; re-en. Sec. 3777, R.C.M. 1921; amd. Sec. 31, Ch. 192, L. 1925; amd. Sec. 1, Ch. 73, L. 1933; re-en. Sec. 3777, R.C.M. 1935; amd. Sec. 1, Ch. 120, L. 1947; amd. Sec. 1, Ch. 43, L. 1967; amd. Sec. 1, Ch. 78, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1201(part).

**87-4-406. Definitions.** As used in this part, the following definitions apply:

(1) "Department" means the department of fish, wildlife, and parks.

(2) "Game animals" means game animals as defined in 87-2-101 that are not the lawful property of any private person.

(3) "Game farm" means the enclosed land area upon which game farm animals may be kept for purposes of obtaining, rearing in captivity, keeping, and selling game animals or parts of game animals, as authorized under this part.

(4) "Game farm animal" means a privately owned caribou, black bear, mountain lion, white-tailed deer, mule deer, elk, moose, antelope, mountain sheep, or mountain goat indigenous to the state of Montana or any other cloven-hoofed ungulate as classified by the department.

(5) "Game farm shooting license" means the license required under 87-4-421 for a game farm operator to hunt the game farm animals indigenous to the state of Montana on his game farm.

(6) "Person" means an individual, firm, corporation, association, or partnership.

**History: En. Sec. 1, Ch. 570, L. 1983; amd. Sec. 3, Ch. 540, L. 1985.**

**87-4-407. License required.** No person may operate a game farm in this state without first obtaining a game farm license from the department.

**History: En. Sec. 2, Ch. 570, L. 1983.**

**87-4-408. Department jurisdiction — applicability of livestock laws and rules.** (1) The department has primary jurisdiction over game farms.

(2) A game farm licensee must also comply with all applicable laws and rules administered by the department of livestock.

**History: En. Sec. 3, Ch. 570, L. 1983.**

**Cross-References**

Livestock, Title 81.

Disease control, Title 81, ch. 2.

**87-4-409. Application for license — limitations on issuance.** (1) Any person desiring to obtain a game farm license shall make written application to the department. The application shall specify:

(a) the applicant's name;

(b) the applicant's address;

(c) the exact legal description of the land upon which the game farm is to be located, together with the nature of the applicant's title thereto, whether in fee, under lease, by contract for deed, or otherwise;

(d) the species of game animals proposed to be kept or reared on the game farm;

(e) the type of fencing contemplated;

(f) the source from which the applicant intends to acquire the game animals;

(g) if the applicant is not a Montana resident, the name and address of a Montana resident designated by the applicant as his local agent;

(h) if the applicant is a corporation, the full names and addresses of all stockholders owning more than 10% of the stock in the corporation; and

(i) information demonstrating that the applicant is responsible.

(2) A game farm license shall be issued only to a responsible applicant who owns or leases the premises on which the operations are to be conducted and who has properly fenced the land upon which the game farm is to be located. The fencing must be designed and constructed to prevent the escape of the species of game farm animals kept on the land and to prevent the entry of the same species of game animals.

(3) Within 60 days of receiving the application, the department shall notify the applicant of its decision to approve or deny the application. If required fencing has not been completed, the department shall approve the application subject to completion of the fencing. If the application is denied, the department shall specify the reasons for denial.

**History:** **En. Sec. 4, Ch. 570, L. 1983.**

**87-4-410. Removal of game animals.** (1) If game animals are present on the land which is to be covered by a game farm license, the license shall be issued but must be conditioned upon the applicant complying with this section.

(2) Before the fence surrounding any such land may be closed, all game animals must to the extent possible be driven therefrom by the applicant, at the applicant's expense and under the direction of a representative of the department.

(3) If at the time the license is issued all game animals cannot be removed from the licensed land, the applicant and a representative of the department shall decide the approximate number of remaining game animals of each indigenous species. This number is the "base number".

(4) The department may remove the base number of game animals from the game farm by trapping them within 120 days from the date the number was determined.

(5) If the department decides not to remove the game animals or if some game animals were not successfully removed by trapping, the public must be granted access to harvest those game animals during a special hunt set for that purpose during the next regularly scheduled hunting season. All administrative costs incurred by the department in arranging the special hunt or providing for hunting on the applicant's land during the regular season must be reimbursed by the applicant.

(6) After compliance with this section, any animals from the base number that remain and their progeny belong to the licensee, and the licensee may deal with them as provided for in this part.

**History:** **En. Sec. 5, Ch. 570, L. 1983.**

**87-4-411. License and renewal fees — deposit of fees.** (1) The department shall charge an initial game farm license fee of $100 and for each year thereafter shall charge an annual renewal fee of $25.

(2) The fees must be deposited in the state special revenue fund for the use of the department for purposes of this part.

**History:** **En. Sec. 6, Ch. 570, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**Cross-References**

Fee limitation for multiple licenses, 87-1-606.

**87-4-412. Term of license — nontransferability.** (1) A game farm license expires on January 31 of the year succeeding the year of issuance. Application for renewal must be made before a license expires. The department shall renew the license upon payment of the renewal fee if the licensee has not violated any provisions under which the license was granted.

(2) A game farm license is nontransferable.

**History:** **En. Sec. 7, Ch. 570, L. 1983.**

**87-4-413. Inspection.** (1) Upon receipt of an application for a game farm license, the department shall inspect the land proposed to be covered by the license.

(2) After issuance of a game farm license, the department may inspect the game farm or the licensee's game farm books on a scheduled basis or on such other reasonable basis as may be determined necessary.

**History:** **En. Sec. 8, Ch. 570, L. 1983.**

**87-4-414. Game farm animals as private property.** (1) All game farm animals lawfully raised on a licensed game farm are the private property of the licensee.

(2) The licensee may acquire, breed, grow, keep, pursue, capture, kill, use, sell, or dispose of the game farm animals and their progeny in any quantity, at any time of year, and in any manner, as long as he complies with the requirements of this part.

(3) Before allowing hunting of any game farm animals on a game farm, the game farm licensee must obtain a game farm shooting license from the department.

(4) The laws applicable to game animals do not apply to game farm animals raised on a licensed game farm.

**History:** **En. Sec. 9, Ch. 570, L. 1983.**

**Cross-References**

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Prohibition of possession of wild animals, 50-23-102.

Property rights in wild animals, 70-2-111.

Furbearers as private property, 87-4-1008.

**87-4-415. Transportation and sale of game farm animals.** (1) Whenever the licensee of a licensed game farm sells or disposes of one or more game farm animals, he shall, at the same time, deliver to the recipient or otherwise cause to accompany each such game farm animal an invoice or bill of sale signed by the licensee or his agent stating the number of the game farm license, the date of disposition, the species, the number disposed of, and the name and address of the transferee. This invoice or bill of sale authorizes transportation of the game farm animal or animals being sold, transferred, or disposed of.

(2) Within a reasonable time after disposition, the licensee or his agent shall mail postpaid a duplicate of the invoice or bill of sale to the department of livestock and the department.

**History:** **En. Sec. 10, Ch. 570, L. 1983.**

**87-4-416. Sale of game parts, meats, and byproducts.** (1) A game farm licensee may sell or otherwise dispose of the carcass, parts, or byproducts of a properly identified game farm animal taken from a game farm, only upon preparing an invoice or bill of sale and attaching a copy of it to the carcass or container and keeping a copy for his records. Upon the attaching of the invoice or bill of sale to the carcass, parts, or byproducts of the game farm animal, the same may be transported within the state to the transferee named on the invoice or bill of sale.

(2) The licensee may sell game farm animals for meat upon compliance with all applicable health laws.

**History:** **En. Sec. 11, Ch. 570, L. 1983.**

**87-4-417. Records and reporting.** (1) Each game farm licensee shall keep and maintain for 3 years accurate written records of all purchases, transfers, and sales of game farm animals showing:

(a) the number of each species of game farm animal purchased by the game farm licensee and from whom purchased;

(b) the number of each species of game farm animal transferred or sold, the date of transfer or sale, and the name and address of the person to whom the transfer or sale was made; and

(c) identification of each game farm animal purchased, transferred, or sold.

(2) On or before January 31 of each year, the game farm licensee shall file a report with the director, showing the number and species of game farm animals on hand as of January 1 and the number and species of game farm animals bought or sold during the past year.

**History:** **En. Sec. 12, Ch. 570, L. 1983.**

**87-4-418. Unlawful capture.** No person may capture, take, or otherwise acquire any game animal in this state for use on a game farm except as provided in 87-4-410.

**History:** **En. Sec. 13, Ch. 570, L. 1983.**

**87-4-419. Escape from game farm — effect.** If a game farm animal escapes from a game farm, the game farm licensee shall immediately notify the department of its escape and shall make every reasonable effort to recapture it. If the escaped animal cannot be recaptured within a reasonable time, it becomes the property of the state.

**History:** **En. Sec. 14, Ch. 570, L. 1983.**

**87-4-420. Taxation.** All game farm animals raised on a game farm may be assessed as personal property of the owner.

**History:** **En. Sec. 15, Ch. 570, L. 1983.**

**87-4-421. Game farm shooting license.** (1) Before a game farm licensee may hunt any game farm animals indigenous to the state of Montana on his game farm, he must first obtain a game farm shooting license.

(2) The department shall issue to a game farm licensee a game farm shooting license on an annual basis for the number of animals that he wishes to hunt.

(3) The department shall issue individual tags to the game farm licensee at a charge of $15 a tag. The tags must contain such information as the department requires. A tag must be attached to each animal immediately after it is killed and must accompany the animal until it is taken to its final destination.

**History:** **En. Sec. 16, Ch. 570, L. 1983.**

**87-4-422. Rulemaking.** (1) The department may adopt and enforce only such rules as are necessary to implement the provisions of this part.

(2) The rules may address but are not limited to classifying of cloven-hoofed ungulates, fencing requirements, reporting requirements, transportation and importation, identification, sale of animal parts, the care and maintenance of game farm animals, and game farm shooting licenses.

**History:** **En. Sec. 17, Ch. 570, L. 1983.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Importation permits and health certificates, Title 81, ch. 2, part 7.

**87-4-423. Revocation of license.** (1) A game farm license may be revoked for failure to operate the game farm according to the provisions of this part or rules adopted under this part.

(2) Upon discovery of a violation, the department shall give notice of the violation to the licensee, with a statement of a specific time in which the violation must be corrected.

(3) Upon failure of the licensee to correct the violation, the department may institute revocation proceedings. If the department institutes revocation proceedings, it shall provide reasonable notice and opportunity for a hearing to the licensee. After hearing and upon proof of violation, the department may revoke the game farm license.

**History:** **En. Sec. 18, Ch. 570, L. 1983.**

## Part 5

## Shooting Preserves

**87-4-501. Authorization for licenses, permits, rules, and regulations.** The department is hereby authorized and empowered to issue operating licenses or permits for shooting preserves, which may be privately owned and operated, and to make such rules and regulations as may be necessary and proper in carrying out the purposes of this part.

**History:** **En. Sec. 1, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1601.**

**87-4-502. Size, location, and posting of preserves.** Operating licenses or permits may be issued to any person, partnership, association, or corporation for the operation of shooting preserves that meet the requirements hereinafter prescribed:

(1) Each shooting preserve shall be restricted to not more than 1,280 contiguous acres and shall not be located closer than 10 miles from another preserve and in areas which will not substantially reduce hunting areas available to the public as determined by the department.

(2) The exterior boundaries of each shooting preserve shall be clearly defined and posted with signs erected around the extremity at intervals of 250 feet or less.

**History:** **En. Sec. 2, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1602.**

**87-4-503. Fees.** Fees for shooting preserve licenses or permits shall be $50 per year for the first 160 acres of shooting preserve area, plus $20 per year for each additional 160 acres or parts thereof.

**History:** **En. Sec. 4, Ch. 265, L. 1965; R.C.M. 1947, 26-1604.**

**87-4-504. Bird license required.** All persons hunting on shooting preserves must have a valid resident or nonresident upland game bird license.

**History:** **En. Sec. 11, Ch. 265, L. 1965; R.C.M. 1947, 26-1611; amd. Sec. 3, Ch. 105, L. 1987.**

**87-4-505. Commercial and membership licenses and permits.** Each shooting preserve license or permit issued by the department shall designate whether or not the preserve is open to the public on a commercial basis or is restricted to a membership or other limited group. In the latter case, the license or permit shall specify that the area is a restricted shooting preserve. The department shall maintain accurate listings of the names, addresses, and the location of the property of all persons to whom shooting preserve licenses or permits are issued. Said lists shall be made available in their entirety to anyone requesting same and shall specify whether the preserves are public or private.

**History:** **En. Sec. 12, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1612.**

**87-4-506. Revocation of license or permit and reissuance.** The department may revoke any shooting preserve license or permit issued under the authority of this part when the licensee has violated any of the provisions of this part or any rule or regulation of the department. After such revocation, a new license or permit may be issued if in the discretion of the department the circumstances so warrant.

**History:** **En. Sec. 13, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1613.**

**87-4-507 through 87-4-520 reserved.**

**87-4-521. Duration of season.** In order to give a reasonable opportunity for a fair return on a sizeable investment, the season established for shooting preserves shall be no less than 120 consecutive days, as designated by the department, during the 4-month period beginning September 1 and ending December 31.

**History:** **En. Sec. 7, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1607.**

**87-4-522. Game hunted in preserve.** (1) Game which may be hunted under this part shall be confined to artificially propagated pheasants, quail, chukar partridges, turkeys, and such other species as the department may add from time to time.

(2) A minimum number of stock of each species to be hunted on a shooting preserve shall be released on the licensed area during the shooting preserve season. The minimum number of stock of each species to be released shall be determined by the department before the commencement of the season.

**History:** En. Sec. 3, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1603.

**87-4-523. Amount of game recoverable.** The operating licenses or permits issued by the department shall entitle holders thereof and their members, guests, or patrons to recover not more than 80% of the total number of each species of game released on the premises each year.

**History:** En. Sec. 5, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1605.

**87-4-524. Preserve operators to establish shooting restrictions.** Except for required compliance with the game recovery restriction provided in 87-4-523, shooting preserve operators may establish their own shooting limitations and restrictions on the age, sex, and number of each species that may be taken by each person.

**History:** En. Sec. 6, Ch. 265, L. 1965; R.C.M. 1947, 26-1606.

**87-4-525. Tagging of game.** All harvested game shall be tagged with a self-sealing tag prior to being either consumed on the premises or removed therefrom, such tags to remain affixed until the game actually is prepared for consumption. The department shall furnish tags at nominal cost to shooting preserve operators, the tags to be numbered consecutively and dated by year of issuance.

**History:** En. Sec. 8, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1608.

**87-4-526. Registration of shooters.** Each shooting preserve operator shall maintain a registration book listing the names, addresses, and hunting license numbers of all shooters; the date on which they hunted; the amount of game and the species taken; and the tag numbers affixed to each carcass. An accurate record likewise must be maintained of the total number, by species, of game raised and/or purchased and the date and number of all species released. These records shall be open to inspection by a delegated representative of the department at any reasonable time and shall be the basis upon which the game-recovery limits in 87-4-523 shall be determined.

**History:** En. Sec. 9, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1609.

**87-4-527. Wild game on preserve.** Any wild game found on shooting preserves may be harvested in accordance with applicable game and hunting laws pertaining to open seasons, bag and possession limits, and so forth, as are established regularly by the department and the U.S. fish and wildlife service.

**History:** En. Sec. 10, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1610.

**87-4-528. Unscheduled inspections by department.** The department shall conduct unscheduled inspections of all shooting preserves licensed under this part to ensure that pertinent statutes as well as the rules and regulations of the department are being followed and obeyed.

**History:** En. Sec. 14, Ch. 265, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1614.

## Part 6

## Fish Ponds, Seining, and Commercial Taking of Aquatic Fish Food Organisms

**Part Cross-References**

Fisheries funding under Montana Capital Company Act, Title 90, ch. 8, part 1.

**87-4-601.** *(Temporary)* **Sale of fish or spawn unlawful — exceptions.** (1) Except as provided in subsections (2) and (3), a person may not, for speculative purposes, for market, or for sale, in any way, catch any of the fish which in this title are classified as game fish or remove or cause to be removed the eggs or spawn of any such fish. No person may sell or offer for sale any of the game fish of this state as defined in this title or the eggs or spawn from any game fish.

(2) The restrictions of subsection (1) do not apply to:

(a) the catching of fish in private ponds by the owners of private ponds;

(b) the taking of fish by state authorities for the purpose of obtaining eggs for propagation in state fish hatcheries or by any person who receives a permit from the department to take eggs for propagation purposes;

(c) the catching of whitefish by the holder of a valid fishing license fishing with hook and line or rod in specified waters designated by rules and regulations of the department;

(d) the taking of whitefish by nets or traps in the Kootenai River and in its tributary streams within 1 mile of the Kootenai River, under rules and regulations as the fish and game commission may prescribe; or

(e) the sale by the department of fish eggs produced from brood stock owned by the department but determined to be in excess of the department's needs.

(3) (a) A person issued a paddlefish tag under 87-2-306 who legally takes a paddlefish at the Intake fishing access site north of Glendive during an authorized paddlefish season may donate the paddlefish roe, or eggs, to a Montana nonprofit corporation as specified in subsection (3)(b) for processing and marketing as caviar.

(b) The department shall develop rules for selecting one Montana nonprofit organization to accept paddlefish egg donations and process and market the eggs as caviar. The department shall also develop rules for the marketing and sale of caviar under this section.

(c) The department may enter into an agreement with the organization selected pursuant to the rules provided for in subsection (3)(b) specifying times, sites, and other conditions under which paddlefish eggs may be collected. The agreement must require the organization to maintain records of revenue collected and related expenses incurred and to make the records available to the department and the legislative auditor upon request.

(d) (i) One-half of the proceeds from the sale of paddlefish egg caviar products in excess of the costs of collection, processing, marketing, and administration must be deposited in a state special revenue fund established for the department. The fund and any interest earned on the fund must be used to benefit the paddlefish fishery, including fishing access, improvements, habitat, and fisheries management, or to provide information to the public regarding fishing in eastern Montana, which could include the design and construction of interpretive displays.

(ii) The other half of the proceeds from the sale of paddlefish egg caviar products in excess of the costs of collection, processing, marketing, and administration must be paid to the nonprofit organization that processes and markets the caviar. An advisory committee must be appointed by the commission and consist of one member from the organization selected pursuant to the rules provided for in subsection (3)(b), two area local government representatives, and two representatives of area sportsmen. The advisory committee shall solicit and review historical, cultural, recreational, and fish and wildlife proposals and fund projects. The committee shall notify the commission of its actions. Proceeds may be used as seed money for grants. *(Terminates June 30, 1993—sec. 5, Ch. 409, L. 1989.)*

**87-4-601.** *(Effective July 1, 1993)* **Sale of fish or spawn unlawful — exceptions.** (1) Except as provided in subsection (2), no person may, for speculative purposes, for market, or for sale, in any way, catch any of the fish which in this title are classified as game fish or remove or cause to be removed the eggs or spawn of any such fish. No person may sell or offer for sale any of the game fish of this state as defined in this title or the eggs or spawn therefrom.

(2) The restrictions of subsection (1) do not apply to:

(a) the catching of fish in private ponds by the owners thereof;

(b) the taking of fish by state authorities for the purpose of obtaining eggs for propagation in state fish hatcheries or by any person who receives a permit from the department to take eggs for such purposes;

(c) the catching of whitefish by the holder of a valid fishing license fishing with hook and line or rod in specified waters designated by rules and regulations of the department;

(d) the taking of whitefish by nets or traps in the Kootenai River and in its tributary streams within 1 mile of the Kootenai River, under such rules and regulations as the fish and game commission may prescribe; or

(e) the sale by the department of fish eggs produced from brood stock owned by the department but determined to be in excess of the department's needs.

**History: En. Sec. 21, Ch. 173, L. 1917; re-en. Sec. 3713, R.C.M. 1921; re-en. Sec. 3713, R.C.M. 1935; amd. Sec. 11, Ch. 224, L. 1947; amd. Sec. 35, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-331; amd. Sec. 1, Ch. 52, L. 1979; amd. Sec. 2, Ch. 267, L. 1983; amd. Sec. 1, Ch. 152, L. 1987; amd. Sec. 1, Ch. 409, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), near beginning, inserted reference to subsection (3); and inserted (3) providing rules and procedure for donation of paddlefish roe to nonprofit corporation for use in caviar production and designating how profits are to be used (see 1989 Session Law for text). Amendment effective July 1, 1989, and terminates June 30, 1993.

**Cross-References**

Sale of seafood, 30-12-401.

License required to kill game fish, 87-2-103.

Unlawful to purchase, sell, possess, or transport fish, 87-3-111.

Authority to net or trap whitefish in Kootenai, 87-3-204.

**87-4-602. Seining licenses.** The director shall keep a record of all licenses issued by him for the use of a net for the taking of fish, showing the name of the applicant, the date of issue, the waters to be used in, and the date of revocation if the license is revoked. The director shall pay all fees received for those licenses into the state treasury to the credit of the fish and game moneys in the state special revenue fund. A license may not be issued to a person whose license has been revoked for cause.

**History: En. Sec. 23, Ch. 173, L. 1917; re-en. Sec. 3715, R.C.M. 1921; re-en. Sec. 3715, R.C.M. 1935; amd. Sec. 30, Ch. 511, L. 1973; R.C.M. 1947, 26-333; amd. Sec. 1, Ch. 277, L. 1983.**

**Cross-References**

Use of fish and game money, 87-1-601, 87-1-701.

Unlawful to possess seine — exceptions, 87-3-205.

**87-4-603. Fish pond license for artificial lake or pond — records.** (1) A person who owns or lawfully controls an artificial lake or pond may apply to the director for a fish pond license. The holder of a private fish pond license may stock his fish pond with fry procured from any lawful source. The department may designate the species of fish which may be released in the pond and otherwise condition the license when there is a possibility of fish escaping from the pond into adjacent streams or lakes. The license holder may take fish from the lake or pond in any manner. Before a license holder may sell fish or eggs or fry from the lake or pond, he shall furnish a corporate surety bond to the state for $500, conditioned to the effect that he will not sell fish or spawn from any of the public waters of this state or violate the conditions of his license and also conditioned to the effect that he will submit an annual report on transactions to the director.

(2) "Artificial lake or pond" as used in this section does not include a natural pond or body of water created by natural means or any portion of the streambed or lakebed of a natural pond or body of water. It includes only bodies of water created by artificial means or diversion of water which do not exceed 500 acres of surface area.

(3) The department may condition the license to require the construction, implementation, and maintenance of measures or devices to prevent fish in an artificial lake or pond from escaping into adjacent waters.

(4) (a) Each licensee who sells fish or eggs shall keep accurate records of:

(i) the species and quantities of fish or eggs sold or purchased;

(ii) dates of sales or purchases;

(iii) names of purchasers or sellers; and

(iv) locations to or from which fish or eggs are transferred.

(b) On or before January 31 of each year, each licensee who sells fish or eggs shall file a report with the department, on forms made available by the department, summarizing the records required under subsection (4)(a).

**History: En. Sec. 14A, Ch. 238, L. 1921; re-en. Sec. 3695, R.C.M. 1921; amd. Sec. 6, Ch. 77, L. 1923; amd. Sec. 1, Ch. 43, L. 1929; re-en. Sec. 3695, R.C.M. 1935; amd. Sec. 1, Ch. 125, L. 1949; amd. Sec. 28, Ch. 511, L. 1973; amd. Sec. 32, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-306; amd. Sec. 9, Ch. 376, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), in third sentence after "pond", inserted "and otherwise condition the license", in fourth sentence, after "this state", inserted "or violate the conditions of his license", after "will" inserted "submit an annual", after "report" inserted "on transactions", after "director" deleted reference to quantity of fish, eggs, and spawn taken, and deleted former fifth and sixth sentences regarding requirement for annual oath, requirement for record of species and pounds of fish, eggs, and fry sold, date of transaction, and purchaser; inserted (3) authorizing Department to condition license to require device to prevent escape of fish; inserted (4) requiring licensed seller to keep and file annually a record of species and quantities sold or purchased, date of sale or purchase, purchaser's or seller's name, and transfer locations; and made minor changes in style.

**Cross-References**

Suretyship, Title 28, ch. 11, part 4.

**87-4-604. Repealed.** Sec. 4, Ch. 246, L. 1989.

**History: En. Sec. 1, Ch. 13, L. 1965; amd. Sec. 45, Ch. 9, L. 1977; R.C.M. 1947, 26-708.**

**87-4-605. Records and report of whitefish sales by fishing license holders.** A holder of a fishing license who catches whitefish for speculative purposes, for market, or for sale shall keep a record and make an annual report to the department of the number of whitefish sold and the date of each sale. The annual report shall be submitted to the appropriate department regional office within 15 days of the end of the license year.

**History: En. Sec. 2, Ch. 52, L. 1979.**

**87-4-606. Term of license — license not transferable.** (1) A licensee who sells fish or eggs under 87-4-603 shall renew the license annually. The license expires on January 31 of the year succeeding the year of issuance. Application for renewal must be made before a license expires. The department shall renew the license if the licensee has not violated any condition upon which the license was granted.

(2) A licensee who does not sell fish or eggs is not required to renew his license. However, a new license is required when a licensee proposes to plant a new species or stock a pond not designated in the original license.

(3) A fish pond license granted under 87-4-603 is not transferable.

**History: En. Sec. 10, Ch. 376, L. 1989.**

**87-4-607. Revocation of fish pond license.** (1) A fish pond license may be revoked for failure to operate or use the pond according to the terms or conditions of the license or state statutes, rules, or orders covering importation, transportation, or introduction of fish or eggs.

(2) If the department discovers a violation under this section, it may institute revocation proceedings after providing reasonable notice and opportunity for a hearing to the licensee. After hearing and upon proof of the violation, the department may revoke the fish pond license.

**History: En. Sec. 11, Ch. 376, L. 1989.**

**87-4-608 reserved.**

**87-4-609. Regulation of commercial taking of aquatic fish food organisms — permit — rulemaking authority.** (1) The department shall regulate the taking, for sale or commercial distribution, of crayfish, mysis shrimp, and other aquatic organisms that provide a food source for fish.

(2) It is unlawful for a person to take aquatic fish food organisms for commercial purposes without obtaining a permit from the department. A permit applicant shall provide the department with sufficient details of the proposed operation to take any aquatic fish food organism for sale or commercial distribution to enable the department to evaluate any potential overharvest or conflict with existing fishing and recreational uses of the waters.

(3) The department may:

(a) deny a permit if it determines that there is substantial potential that the proposed operation may harm a fishery or conflict with existing recreational uses of the waters;

(b) condition a permit to restrict the method of taking, the location of the taking, and the quality and quantity of harvest, to prevent overharvest or conflict with existing fishing and recreational uses of the waters; or

(c) require a permittee to submit harvest data to the department.

(4) A permit may be revoked for a violation of the conditions of the permit.

(5) The department may adopt rules for the regulation of commercial taking of aquatic fish food organisms, including but not limited to the setting of seasons, methods of taking, quantities of harvest, size limitations, and reporting requirements for a particular aquatic fish food organism, in order to prevent overharvest or conflict with fishing and recreational uses of the waters.

**History: En. Sec. 1, Ch. 246, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 5, Ch. 246, L. 1989, provided: "[This act] is effective on passage and approval." Approved March 22, 1989.

**87-4-610. Fees for commercial taking of aquatic fish food organisms — use of fees.** (1) To finance the administration and enforcement of the provisions of 87-4-609, the department may by rule set reasonable fees for:

(a) issuance of the permit required in 87-4-609; and

(b) use of traps, nets, or seines in Montana waters for the taking of aquatic fish food organisms.

(2) The department shall deposit any fees collected under the provisions of subsection (1) in the state special revenue fund for use by the department.

**History: En. Sec. 2, Ch. 246, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 5, Ch. 246, L. 1989, provided: "[This act] is effective on passage and approval." Approved March 22, 1989.

## Part 7

## Sale of Game in Commercial Trade

**87-4-701. Definitions.** (1) The words "game" and "game birds" or "parts of the same" mean the game animals and game birds, the killing of which is restricted or forbidden by the laws of Montana.

(2) The words "merchant", "hotelkeeper", or "restaurant keeper" mean each manager, servant, agent, or employer of such person.

(3) The word "sale", as used in the statute laws of this state touching the sale of game and fish, the sale of which is prohibited by law, does and shall be considered to mean:

(a) a contract by which, for a pecuniary consideration called a price, one transfers an interest in either game or fish;

(b) a contract by which, for an article or thing of value, one transfers, barters, or exchanges an interest either in game or fish.

**History: (1), (2)En. Sec. 62, Ch. 173, L. 1917; re-en. Sec. 3741, R.C.M. 1921; amd. Sec. 30, Ch. 192, L. 1925; re-en. Sec. 3741, R.C.M. 1935; amd. Sec. 15, Ch. 9, L. 1977; Sec. 26-805, R.C.M. 1947; (3)En. Sec. 64, Ch. 173, L. 1917; re-en. Sec. 3743, R.C.M. 1921; re-en. Sec. 3743, R.C.M. 1935; Sec. 26-808, R.C.M. 1947; R.C.M. 1947, 26-805, 26-808.**

**87-4-702. Possession of game by merchants, hotelkeepers, or restaurant keepers.** (1) Except as provided in subsection (2), it is lawful for any merchant, hotelkeeper, or restaurant keeper to have in his possession, offer for sale, or sell game birds and game, provided the game or game birds are not killed in Montana.

(2) No merchant, hotelkeeper, or restaurant keeper may offer for sale or sell any grizzly bear or any head, hide, teeth, claws, or other part of a grizzly bear.

**History: En. Sec. 58, Ch. 173, L. 1917; re-en. Sec. 3737, R.C.M. 1921; re-en. Sec. 3737, R.C.M. 1935; amd. Sec. 13, Ch. 9, L. 1977; R.C.M. 1947, 26-801; amd. Sec. 4, Ch. 540, L. 1985.**

**Cross-References**

Disposition of seized grizzly bears, 87-1-511.

Waste of fish or game, 87-3-102.

Registration for sale of certain grizzly bears, 87-3-110.

**87-4-703. Evidence of lawful possession of game.** Each merchant, hotelkeeper, or restaurant keeper, having in his possession and offering for sale any game or game birds, shall produce upon demand, for the inspection of any game warden, deputy game warden, or sheriff, the receipt or record and shipping and transportation receipts required in 87-4-704 to be kept by him. A failure or refusal to produce the same upon demand, coupled with the possession and offering for sale of game or game birds, is prima facie evidence of the violation of this part.

**History: En. Sec. 59, Ch. 173, L. 1917; re-en. Sec. 3738, R.C.M. 1921; re-en. Sec. 3738, R.C.M. 1935; amd. Sec. 14, Ch. 9, L. 1977; R.C.M. 1947, 26-802.**

**87-4-704. Record to be kept.** It shall be the duty of every person having in his possession and offering for sale any game or game birds to keep a record showing the amount and kind of game and game birds received by him, together with shipping and transportation receipts showing the true time and place of shipment of said game and game birds and the name of the person shipping same; provided, however, that any merchant in Montana selling game or game birds to any hotel or restaurant keeper or other person shall, in addition to the record and receipts heretofore required to be kept by him, keep a record of the date of sale, kind and amount of game or game birds and the name of the purchaser and provided, further, that in the case of hotel and restaurant keepers or other persons buying game or game birds from a merchant within the state of Montana, a receipt from the said merchant showing the date, amount and kind of game or game birds purchased shall be sufficient evidence of compliance with the provisions of this part by such hotel or restaurant keeper or other person.

**History: En. Sec. 60, Ch. 173, L. 1917; re-en. Sec. 3739, R.C.M. 1921; re-en. Sec. 3739, R.C.M. 1935; R.C.M. 1947, 26-803.**

**87-4-705. Noncompliance with law.** It is unlawful for any person to have in his possession and offer for sale or sell any game or game birds without having complied with the provisions of 87-4-704 relating to the keeping of a record and shipping and transportation receipts.

**History: En. Sec. 61, Ch. 173, L. 1917; re-en. Sec. 3740, R.C.M. 1921; re-en. Sec. 3740, R.C.M. 1935; amd. Sec. 23, Ch. 224, L. 1947; amd. Sec. 46, Ch. 9, L. 1977; R.C.M. 1947, 26-804.**

**Cross-References**

Registration for sale of certain grizzly bears, 87-3-110.

Restrictions on sale of fish or game, 87-3-111.

Unlawful sale of fish or spawn, 87-4-601.

Unlawful sale of wild birds, 87-5-201.

## Part 8

## Menageries and Zoos

**87-4-801. Definitions.** As used in this part unless the context requires otherwise, the following definitions apply:

(1) "Roadside menagerie or zoo" means any place where one or more wild animals, including birds, reptiles, and the like, are kept in captivity for the evident purpose of exhibition or attracting trade. It does not include the exhibition of any animal by an educational institution or in a zoological garden chartered as a nonprofit corporation by the state and does not include animals exhibited by any traveling theatrical exhibition or circus.

(2) "Wild animal" means an animal wild by nature as distinguished from the common domestic animals, whether the animal was bred or reared in captivity, and includes birds and reptiles.

**History: En. Sec. 1, Ch. 130, L. 1969; amd. Sec. 45, Ch. 511, L. 1973; R.C.M. 1947, 26-1205.**

**Cross-References**

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

**87-4-802. Department regulations.** The department shall adopt and enforce reasonable regulations for the housing, care, treatment, feeding, and sanitation of animals kept in roadside menageries and for the protection of the public from injury by such animals.

**History: En. Sec. 2, Ch. 130, L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1206(2).**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-4-803. Permits.** (1) The department shall grant permits for roadside menageries or zoos. It is unlawful for any person to operate a roadside menagerie without a permit. Application for a permit shall be made to the director on a form prescribed by him. The annual permit fee for five or less animals shall be $10. The annual permit fee for more than five animals shall be $25. Permits shall expire on December 31 but may be renewed upon payment of the annual fee. This section shall not apply to the United States, the state of Montana, or any county or city. Any person who shall subscribe to any false statement in application for a permit shall be guilty of a misdemeanor.

(2) No permit shall be granted by the department until it has satisfactorily verified that the provisions for housing and caring for such animals and for protecting the public are proper and adequate and in accordance with the standards established by the department.

(3) A permit is not transferable to another person unless the roadside menagerie or zoo to which it pertains is also transferred to the same person. The director's approval must be obtained prior to such permit transfer and prior to a transfer of any wild animals held under the permit.

**History: En. Secs. 2, 3, Ch. 130, L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1206(1), 26-1207.**

**87-4-804. Permit to obtain wild animals.** (1) It is unlawful to obtain wild animals for a menagerie or zoo by capture from the wild or by purchase except in accordance with the terms of a permit. Application for such permit shall be made to the director on a form prescribed by him. After investigation by the department, the director may issue such permit without charge if he finds:

(a) that all provisions of this part and of the department regulations are complied with by the applicant; and

(b) that the number and species of wildlife desired is not excessive under the circumstances.

(2) If wild animals are to be obtained by capture, the permit shall designate the number and the means of capture, but ownership of the wild animals captured shall remain in the state of Montana. Nongame animals may be bought, sold, or transferred under such regulations as the department may prescribe.

**History: En. Sec. 4, Ch. 130, L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1208.**

**87-4-805. Restrictions on menagerie permits — offspring state property.** A menagerie permit cannot be construed as a commercial game propagating permit, and the holder of such permit must not under any circumstances sell or attempt to sell any of the original game birds or game animals or the progeny thereof. A game propagating permit is required to propagate and sell game birds and game animals for commercial purposes. A fur-farming permit is required to propagate and sell fur-bearing animals. All offspring of game animals, game birds, or fur-bearing animals are the property of the state wherein the menagerie is located and must be disposed of by the state.

**History: En. Sec. 5, Ch. 130, L. 1969; R.C.M. 1947, 26-1209.**

**87-4-806. Inspection, permit revocation, and redemption of wildlife.** All roadside menageries or zoos and all equipment used in connection therewith shall be open to inspection at all reasonable hours. If upon inspection it is found that the menagerie or zoo is not being operated in accordance with this part or with the department regulations, the director shall revoke the permit without right of renewal and shall redeem possession of all wildlife obtained by capture or unlawful propagation.

**History: En. Sec. 6, Ch. 130, L. 1969; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1210.**

**87-4-807. Enforcement and penalty.** (1) The provisions of this part shall be enforced by any warden or any other legally authorized officer. Any person violating the provisions of this part shall upon conviction be punished as provided in 87-1-102, and at the discretion of the court, the permit and all rights and privileges inherent therein may be forfeited.

(2) Any animals being kept in violation of any section of this part may be confiscated or ordered disposed of at the discretion of the director. The permittee may appeal to the commission within 20 days of the date of the order to confiscate, and the commission shall hold a hearing on such an appeal, and the decision of the commission shall be final.

**History: En. Sec. 7, Ch. 130, L. 1969; amd. Sec. 5, Ch. 465, L. 1977; R.C.M. 1947, 26-1211.**

**Cross-References**

Contested case procedure and judicial review of contested cases, Title 2, ch. 4, parts 6 and 7.

Fish and Game Commission as quasi-judicial board, 2-15-3402.

**87-4-808. Fines, bonds, penalties, and fees.** Fines, bonds, or penalties, except those obtained by a justice's court, shall be administered and disposed of in accordance with the provisions of 87-1-601. Fees obtained under this part shall be deposited with the state treasurer and credited to the state special revenue fund, fish and game account.

**History: En. Sec. 8, Ch. 130, L. 1969; amd. Sec. 46, Ch. 511, L. 1973; R.C.M. 1947, 26-1212; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 63, Ch. 557, L. 1987.**

**Cross-References**

Collection and disposition of fines, penalties, forfeitures, and fees, 3-10-601.

Percentage of fine money paid into Game Wardens' Retirement Account, 19-8-504.

Department to control money received from fines, 87-1-201.

## Part 9

## Game Bird Farms

**Part Cross-References**

Minimum wage for employees, 39-3-402, 39-3-404, 39-3-406.

Unemployment insurance coverage — agricultural labor, 39-51-205.

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Fee limitation for multiple licenses, 87-1-606.

**87-4-901. Game birds defined.** For purposes of this part, the following definitions apply:

(1) "Game birds" means all birds defined as game birds in 87-2-101, except that the only pheasants included are ring-necked pheasants, and quail are not included.

(2) "Game bird farm" means an enclosed area upon which game birds may be kept for purposes of obtaining, rearing in captivity, keeping, and selling game birds or parts of game birds as authorized under this part.

**History: En. Sec. 20, Ch. 570, L. 1983.**

**87-4-902. Exemption.** This part does not apply to:

(1) a person who owns, controls, or propagates game birds for purposes other than sale or conveyance of game birds or parts thereof and who notifies the department and receives its written authorization and exemption; or

(2) the holder of a migratory game bird avicultural permit under 87-2-807.

**History: En. Sec. 21, Ch. 570, L. 1983; amd. Sec. 2, Ch. 262, L. 1985.**

**87-4-903. Game bird farm license required.** Except as provided in 87-4-902, no person may own, control, or propagate game birds unless he holds a current game bird farm license from the department.

**History:** **En. Sec. 22, Ch. 570, L. 1983.**

**87-4-904. Application for game bird farm license — limitation on issuance.** (1) A person desiring to obtain a game bird farm license shall make a written application to the department. The application must specify:

(a) the name of the applicant;

(b) his address;

(c) the species of game bird and any plans to propagate them;

(d) the legal description of the lands to be included;

(e) the type of fence or enclosure that the applicant contemplates erecting;

(f) the source of game birds; and

(g) for a nonresident owner, the name and address of a local resident agent.

(2) (a) A game bird farm license shall be issued only to a responsible applicant who owns or leases the premises on which the operations are to be conducted and who has properly fenced or otherwise enclosed the place where such game bird farm is to be located.

(b) Any game bird farm owned by a nonresident must have a resident agent who is responsible for the daily operation of the farm and who is authorized by the nonresident owner to receive service of process.

(3) Within 30 days of receiving the application, the department shall notify the applicant of its decision to approve or deny the application. If the required fencing or enclosure has not been completed, the department shall approve the application subject to the fencing or enclosure being completed. If the application is denied, the department shall specify the reasons for denial.

**History:** **En. Sec. 23, Ch. 570, L. 1983.**

**87-4-905. License and renewal fee — deposit of fees.** (1) Game bird farm license and annual renewal fees must be set by department rule.

(2) The fees must be deposited in the state special revenue fund for the use of the department for purposes of this part.

**History:** **En. Sec. 24, Ch. 570, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**Cross-References**

Fee limitation for multiple licenses, 87-1-606.

**87-4-906. Term of license — conditions — changes in operation.** (1) A game bird farm license is valid only for the license year for which it is issued. The licensee shall apply for renewal annually, and the department shall renew the license if the licensee has not violated any provision under which the license was granted.

(2) The licensee shall notify the department of any proposed changes in the species managed or in the size or location of the enclosure prior to the institution of such change.

**History:** **En. Sec. 25, Ch. 570, L. 1983.**

**87-4-907. License nontransferable.** A game bird farm license is nontransferable.

**History:** **En. Sec. 26, Ch. 570, L. 1983.**

**87-4-908. Inspection.** Upon receipt of an application, the department shall inspect the game bird farm facilities and shall thereafter inspect the facilities and the records required to be kept by such farm on a scheduled basis or on such other reasonable basis as may be determined necessary.

**History:** En. Sec. 27, Ch. 570, L. 1983.

**87-4-909. Game farm birds as private property.** All birds lawfully raised in a licensed game bird farm are the private property of the licensee, and the licensee may sell or transfer such birds as private property.

**History:** En. Sec. 28, Ch. 570, L. 1983.

**87-4-910. Transportation of birds.** Any birds purchased for use on a game bird farm or any birds raised on a game bird farm may be transported only in compliance with Title 81, chapter 2, part 7, and applicable administrative rules.

**History:** En. Sec. 29, Ch. 570, L. 1983.

**87-4-911. Sale of meat.** A licensee may sell game farm birds or parts thereof only in compliance with all health laws applicable to the sale of game meat.

**History:** En. Sec. 30, Ch. 570, L. 1983.

**87-4-912. Records and reporting.** (1) Each licensee shall keep accurate records of the number and species of birds purchased, transferred, or sold and the name of each person to whom or from whom such birds were purchased, transferred, or sold.

(2) On or before January 31 of each year, each licensee shall file a report with the director, showing the number and species of birds on hand on January 1 and the number and kinds of birds purchased, transferred, or sold during the past year. All records described in this section must be kept for not less than 3 years.

**History:** En. Sec. 31, Ch. 570, L. 1983.

**87-4-913. Rulemaking.** The department may adopt and enforce only such rules as are necessary to implement the provisions of this part. The rules may address but are not limited to fencing requirements, reporting requirements, the care and maintenance of birds held by game bird farm operators, and licensing requirements for applicants.

**History:** En. Sec. 32, Ch. 570, L. 1983.

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-4-914. Release of birds.** Game bird farm licensees may release birds into the wild only with the prior approval of the director.

**History:** En. Sec. 33, Ch. 570, L. 1983.

**87-4-915. Field trials — permits.** (1) As used in this section, "field trial" means an examination to determine the ability of dogs to point, flush, or retrieve game birds.

(2) No person may conduct a field trial unless he has received a permit under this section. Applicants for a permit to conduct a field trial must make application to the director upon a form furnished by the department for that purpose. The application must be signed and sworn to by the applicant, stating the applicant's name and address, the name and address of any national affiliate, the place for the field trial clearly defined, the date or dates of the proposed field trial, whether live birds are to be used, and any other information required by the director to determine the advisability of granting permission for the proposed field trial. The application must state that if a permit is granted, the applicant will carefully flush all wild game birds from fields used for the field trial each day before the field trial begins and will not permit dogs to run free in fields that have not been carefully flushed. The application must be presented to the director not less than 20 days prior to the date proposed for the field trial.

(3) The director may refuse any application that he determines is not in the best interests of the protection, preservation, propagation, and conservation of game birds in this state. Any denial by the director of such application must state the reasons therefor and must be mailed to the applicant within 10 days of receipt of the application.

(4) No applicant receiving a permit to conduct a field trial may violate or authorize violation of any of the terms of the permit.

(5) All live game birds used in a field trial must be tagged before being planted or released and may be planted or released only in the presence of a representative of the department. If an untagged bird is shot during any field trial, the person to whom the permit was issued must immediately replace it with a live bird.

(6) (a) Dogs may be trained in open fields at any time without permission of the director only if:

(i) no live game birds are killed or captured during training; and

(ii) the training is more than 1 mile from any bird nesting or management area or game preserve.

(b) A person may train dogs with a method that will kill birds acquired from a game bird farm only after receiving a written permit from the department and only in compliance with the terms of the permit.

**History:** **En. Sec. 34, Ch. 570, L. 1983.**

**87-4-916. Revocation of license.** (1) A game bird farm license may be revoked for failure to operate the game bird farm according to provisions of this part or rules adopted under this part.

(2) Upon discovery of a violation, the department shall give notice of such violation to the licensee, with a statement of a specific time by which the violation must be corrected.

(3) Upon failure of the licensee to correct the violation, the department may institute revocation proceedings. If the department institutes revocation proceedings, it shall provide reasonable notice and opportunity for a hearing to the licensee. After hearing, upon proof of violation, the department may revoke the game bird farm license.

**History:** **En. Sec. 35, Ch. 570, L. 1983.**

**Cross-References**

Contested cases — Montana Administrtive Procedure Act, Title 2, ch. 4, part 6.

## Part 10

## Fur Farms

**Part Cross-References**

Minimum wages for fur farm employees, 39-3-402, 39-3-404, 39-3-406.

Unemployment insurance coverage — agricultural labor, 39-51-205.

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Fee limitation for multiple licenses, 87-1-606.

Fur dealers, Title 87, ch. 4, part 3.

**87-4-1001. Definition.** For purposes of this part, the following definitions apply:

(1) "Furbearer" means a marten or sable, otter, muskrat, fisher, bobcat, lynx, wolverine, or beaver. The term does not include fox or mink.

(2) "Fur farm" means the enclosed land area upon which furbearers may be kept for purposes of obtaining, rearing in captivity, keeping, and selling furbearers or parts of furbearers as authorized under this part.

**History: En. Sec. 36, Ch. 570, L. 1983.**

**87-4-1002. Fur farm license required — applicability.** (1) Except as provided in subsection (2), no person may own, control, or propagate furbearers unless he holds a current fur farm license from the department.

(2) This part does not apply to the ownership, control, or propagation of furbearers if the ownership, control, or propagation is not for the sale or conveyance of furbearers or parts thereof.

**History: En. Sec. 37, Ch. 570, L. 1983.**

**87-4-1003. Application for license.** (1) Any person desiring to obtain a fur farm license shall make a written application to the department. The application must specify:

(a) the name of the applicant;

(b) his address;

(c) species of furbearers and any plan to propagate them;

(d) the legal description of the lands to be included;

(e) the type of fence that the applicant contemplates erecting;

(f) the source of furbearers.

(2) (a) A fur farm license shall be issued only to a responsible applicant who owns or leases the premises on which the operations are to be conducted and who has properly fenced the place where such fur farm is to be located.

(b) Any fur farm owned by a nonresident must have a resident agent who is responsible for the daily operation of the fur farm and who is authorized by the nonresident owner to receive service of process.

(3) Within 30 days of receiving the application, the department shall notify the applicant of its decision to approve or deny the application. If required fencing has not been completed, the department shall approve the application subject to the fencing being completed. If the application is denied, the department shall specify the reasons for denial.

**History: En. Sec. 38, Ch. 570, L. 1983.**

**87-4-1004. License and renewal fee — deposit.** (1) Fur farm license and annual renewal fees must be set by department rule.

(2) The fees must be deposited in the state special revenue fund for the use of the department for purposes of this part.

**History:** **En. Sec. 39, Ch. 570, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**Cross-References**

Fee limitation for multiple licenses, 87-1-606.

**87-4-1005. Term of license — conditions — changes in operation.** (1) A fur farm license is valid only for the license year in which it is issued. The licensee shall apply for renewal annually, and the department shall renew the license if the licensee has not violated any provision under which it was granted.

(2) The licensee shall notify the department of any proposed changes in the species managed or in the size or location of the enclosure prior to the institution of such change.

**History:** **En. Sec. 40, Ch. 570, L. 1983.**

**87-4-1006. License nontransferable.** A fur farm license is nontransferable.

**History:** **En. Sec. 41, Ch. 570, L. 1983.**

**87-4-1007. Inspection.** Upon receipt of an application for a license, the department shall inspect each fur farm and thereafter shall inspect each fur farm and the records required to be kept by such fur farm on a scheduled basis or on such other reasonable basis as may be determined necessary.

**History:** **En. Sec. 42, Ch. 570, L. 1983.**

**87-4-1008. Furbearers as private property.** All furbearers lawfully raised on a licensed fur farm are the private property of the licensee, and the licensee may sell or transfer such furbearers as private property.

**History:** **En. Sec. 43, Ch. 570, L. 1983.**

**Cross-References**

Rabies control — restrictions on possession of wild animals, Title 50, ch. 23, part 1.

Prohibition of possession of wild animals, 50-23-102.

Property rights in wild animals, 70-2-111.

**87-4-1009. Transportation of furbearers.** Any furbearers purchased for use on a fur farm or any furbearers raised on a fur farm may be transported only in compliance with Title 81, chapter 2, part 7, and applicable administrative rules.

**History:** **En. Sec. 44, Ch. 570, L. 1983.**

**87-4-1010. Sale of furs.** A fur farm owner who desires to sell furs shall comply with all the requirements of part 3 of this chapter.

**History:** **En. Sec. 45, Ch. 570, L. 1983.**

**87-4-1011. Records and reporting.** (1) Each licensee shall keep accurate records of the number and species of furbearers purchased, transferred, or sold and the name of each person to whom or from whom such furbearers were purchased, transferred, or sold.

(2) On or before January 31 of each year, each licensee shall file a report with the director, showing the number and species of furbearers on hand on January 1 and the number and species of furbearers purchased, transferred,

or sold during the past year. All records described in this section must be kept for not less than 3 years.

**History:** **En. Sec. 46, Ch. 570, L. 1983.**

**87-4-1012. Rulemaking.** The department may adopt and enforce only such rules as are necessary to implement this part. The rules may address but are not limited to fencing requirements, reporting requirements, the care and maintenance of the furbearers held by fur farm operators, and licensing requirements for applicants.

**History:** **En. Sec. 47, Ch. 570, L. 1983.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-4-1013. Revocation of license.** (1) A fur farm license may be revoked for failure to operate the fur farm according to the provisions of this part or rules adopted under this part.

(2) Upon discovery of a violation, the department shall give notice of such violation to the licensee, with a statement of a specific time by which the violation must be corrected.

(3) Upon failure of the licensee to correct the violation, the department may institute revocation proceedings. If the department institutes revocation proceedings, it shall provide reasonable notice and opportunity for a hearing to the licensee. After hearing, upon proof of violation, the department may revoke the fur farm license.

**History:** **En. Sec. 48, Ch. 570, L. 1983.**

**Cross-References**

Contested cases — Montana Administrative Procedure Act, Title 2, ch. 4, part 6.

**87-4-1014. Unlawful capture.** No person may capture, take, or otherwise acquire a furbearer from the wild for use on a fur farm.

**History:** **En. Sec. 1, Ch. 355, L. 1987.**

# CHAPTER 5

# WILDLIFE PROTECTION

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**Chapter Cross-References**

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Management of county lands — fish and wildlife habitat improvement, 7-8-2501, 7-13-2218.

County Park Board — rules to protect wildlife, Title 7, ch. 16, part 23.

Municipal Park Boards, Title 7, ch. 16, part 42.

Voluntary checkoff for nongame wildlife programs, 15-30-150.

Hazardous waste management, Title 75, ch. 10, part 4.

Range for wild game animals reserved in grazing districts, 76-16-107.

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Water conservancy districts, Title 85, ch. 9.

Penalty provisions, 87-1-102.

Nongame wildlife account, 87-5-121.

Renewable resource development, Title 90, ch. 2.

## Part 1

## Nongame and Endangered Species

**87-5-101. Short title.** This part shall be known and may be cited as "The Nongame and Endangered Species Conservation Act".

**History:** **En. Sec. 1, Ch. 461, L. 1973; R.C.M. 1947, 26-1801.**

**87-5-102. Definitions.** As used in this part, the following definitions apply:

(1) "Account" means the nongame wildlife account established in 87-5-121.

(2) "Ecosystem" means a system of living organisms and their environment, each influencing the existence of the other and both necessary for the maintenance of life.

(3) "Endangered species" means any species or subspecies of wildlife actively threatened with extinction due to any of the following factors:

(a) the destruction, drastic modification, or severe curtailment of its habitat;

(b) its overutilization for scientific, commercial, or sporting purposes;

(c) the effect on it of disease, pollution, or predation;

(d) other natural or man-made factors affecting its prospects of survival or recruitment within the state; or

(e) any combination of the foregoing factors.

(4) "Management" means the collection and application of biological information for the purposes of increasing the number of individuals within species and populations of wildlife up to the optimum carrying capacity of their habitat and maintaining such levels. The term includes the entire range of activities that constitute a modern scientific resource program including but not limited to research, census, law enforcement, habitat improvement, and education. Also included within the term, when and where appropriate, is the periodic or total protection of species or populations as well as regulated taking.

(5) "Nongame wildlife" means any wild mammal, bird, amphibian, reptile, fish, mollusk, crustacean, or other wild animal not otherwise legally classified by statute or regulation of this state. Animals designated by statute or regulation of this state as predatory in nature are not classified as nongame wildlife for purposes of this part.

(6) "Optimum carrying capacity" means that point at which a given habitat can support healthy populations of wildlife species, having regard to the total ecosystem, without diminishing the ability of the habitat to continue that function.

(7) "Person" means any individual, firm, corporation, association, or partnership.

(8) "Take" means to harass, hunt, capture, or kill or attempt to harass, hunt, capture, or kill wildlife.

(9) "Wildlife" means any wild mammal, bird, reptile, amphibian, fish, mollusk, crustacean, or other wild animal or any part, product, egg, or offspring or the dead body or parts thereof.

**History: En. Sec. 2, Ch. 461, L. 1973; amd. Sec. 12, Ch. 417, L. 1977; R.C.M. 1947, 26-1802(3), (part (4)), (5) thru (10); amd. Sec. 1, Ch. 627, L. 1983.**

**87-5-103. Legislative policy.** The legislature finds and declares all of the following:

(1) that it is the policy of this state to manage certain nongame wildlife for human enjoyment, for scientific purposes, and to insure their perpetuation as members of ecosystems;

(2) that species or subspecies of wildlife indigenous to this state which may be found to be endangered within the state should be protected in order to maintain and to the extent possible enhance their numbers;

(3) that the state should assist in the protection of species or subspecies of wildlife which are deemed to be endangered elsewhere by prohibiting the taking, possession, transportation, exportation, processing, sale or offer for sale, or shipment within this state of species or subspecies of wildlife unless such actions will assist in preserving or propagating the species or subspecies.

**History: En. Sec. 3, Ch. 461, L. 1973; R.C.M. 1947, 26-1803.**

**87-5-104. Investigations by department.** The department shall conduct investigations on nongame wildlife in order to develop information relating to population, distribution, habitat needs, limiting factors, and other biological and ecological data to determine management measures necessary for their continued ability to sustain themselves successfully. The department shall conduct ongoing investigations of nongame wildlife.

**History: En. Sec. 4, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1804(part).**

**87-5-105. Regulations to manage nongame wildlife.** (1) On the basis of the determinations made pursuant to 87-5-104, the department shall issue management regulations. Such regulations shall set forth species or subspecies of nongame wildlife which the department deems in need of management pursuant to 87-5-104 through 87-5-106, giving their common and scientific names by species and subspecies. The department may from time to time amend such regulations on the approval of the legislature by adding or deleting therefrom species or subspecies of nongame wildlife.

(2) The department shall by such regulations establish proposed limitations relating to taking, possession, transportation, exportation, processing, sale or offer for sale, or shipment as may be deemed necessary to manage such nongame wildlife. The department may make such changes in the proposed regulations as are consistent with effective management of nongame wildlife as designated by the legislature.

**History: En. Sec. 4, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1804(part).**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-5-106. Unlawful acts.** Except as provided in regulations issued by the department, it shall be unlawful for any person to take, possess, transport, export, sell, or offer for sale nongame wildlife deemed by the department to be in need of management. Subject to the same exception, it shall further be unlawful for any common or contract carrier knowingly to transport or receive for shipment nongame wildlife deemed by the department to be in need of management.

**History: En. Sec. 4, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1804(3).**

**87-5-107. List of endangered species.** (1) (a) On the basis of investigations on nongame wildlife provided for in 87-5-104 and other available scientific and commercial data and after consultation with other state wildlife agencies, appropriate federal agencies, and other interested persons and organizations but not later than 1 year after July 1, 1973, the department shall recommend to the legislature a list of those species and subspecies of wildlife indigenous to the state which are determined to be endangered within this state, giving their common and scientific names by species and subspecies.

(b) The department may propose legislation to specifically include any species or subspecies of fish and wildlife appearing on the United States' list of endangered native fish and wildlife (part 17 of Title 50 of the Code of Federal Regulations, appendix D) as it appears on July 1, 1973, as well as any species or subspecies of fish and wildlife appearing on the United States' list of endangered foreign fish and wildlife (part 17 of Title 50 of the Code of Federal Regulations, appendix A), as such list may be modified hereafter.

(2) The department shall conduct a review of the state list of endangered species within not more than 2 years from its effective date and every 2 years thereafter. The department may propose specific legislation to amend the list by such additions or deletions as are deemed appropriate and at such times as are deemed appropriate.

(3) Except as otherwise provided in this part, it shall be unlawful for any person to take, possess, transport, export, sell, or offer for sale and for any common or contract carrier knowingly to transport or receive for shipment any species or subspecies of wildlife appearing on any of the following lists:

(a) the list of wildlife indigenous to the state determined to be endangered within the state pursuant to subsection (1);

(b) any species or subspecies of fish and wildlife included by the department and appearing on the United States' list of endangered native fish and wildlife (part 17 of Title 50, Code of Federal Regulations, appendix D) as it appears on July 1, 1973; and the United States' list of endangered foreign fish and wildlife (part 17 of Title 50, Code of Federal Regulations, appendix A), as such list may be modified hereafter.

(4) Any species or subspecies of wildlife appearing on any of the foregoing lists which enters the state from another state or from a point outside the territorial limits of the United States and which is transported across the state destined for a point beyond the state may be so entered and transported without restriction in accordance with the terms of any federal permit or permit issued under the laws or regulations of another state.

(5) In the event the United States' list of endangered native fish and wildlife is modified subsequent to July 1, 1973, by additions or deletions, such modifications, whether or not involving species or subspecies indigenous to the state, may be accepted as binding under subsections (3) and (4) if, after the type of scientific determination described in subsection (1), the department proposes and the legislature accepts such modification for the state.

**History: Ap. p. Sec. 5, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; Sec. 26-1805, R.C.M. 1947; Ap. p. Sec. 2, Ch. 461, L. 1973; amd. Sec. 12, Ch. 417, L. 1977; Sec. 26-1802, R.C.M. 1947; R.C.M. 1947, 26-1802(part (4)), 26-1805; amd. Sec. 1, Ch. 240, L. 1987.**

**Cross-References**

Possession, transportation, exportation, processing, sale or offer for sale, or shipment of endangered species generally prohibited, 87-5-112.

**87-5-108. Establishment of programs.** (1) The director shall establish such programs, including acquisition of land or aquatic habitat, as are deemed necessary for management of nongame and endangered wildlife. The department shall establish such policies as are necessary to carry out the purpose of this section and 87-5-109.

(2) In carrying out programs authorized by this section, the department may enter into agreements with federal agencies, political subdivisions of the state, or with private persons for administration and management of any area established under this section and 87-5-109 or utilized for management of nongame or endangered wildlife.

(3) The governor shall review other programs administered by him and, to the extent practicable, utilize such programs in furtherance of the purposes of this section and 87-5-109. The governor shall also encourage other state and federal agencies to utilize their authorities in furtherance of the purposes of this section and 87-5-109.

**History: En. Sec. 6, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1806(1) thru (3).**

**Cross-References**

Cooperative agreements for research, training, and other projects, 87-1-210.

**87-5-109. Taking of species for educational, scientific, or other purposes.** (1) The director may permit the taking, possession, transportation, exportation, or shipment of species or subspecies of wildlife which appear on the state list of endangered species, on the United States' list of endangered native fish and wildlife, as amended and accepted in accordance with

87-5-107(5), or on the United States' list of endangered foreign fish and wildlife, as such list may be modified hereafter, for scientific, zoological, or educational purposes, for propagation in captivity of such wildlife, or for other special purposes.

(2) Upon good cause shown and where necessary to alleviate damage to property or to protect human health, endangered species may be removed, captured, or destroyed but only pursuant to permit issued by the director and, where possible, by or under the supervision of an agent of the department. Endangered species may be removed, captured, or destroyed without permit by any person in emergency situations involving an immediate threat to human life. Provisions for removal, capture, or destruction of nongame wildlife for the purposes set forth above shall be set forth in regulations issued by the department pursuant to 87-5-105.

**History: En. Sec. 6, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1806(4), (5); amd. Sec. 153, Ch. 370, L. 1987.**

**Cross-References**

Taking fish or game for scientific purposes, 87-2-806.

Possession, transportation, exportation, processing, sale or offer for sale, or shipment of endangered species generally prohibited, 87-5-112.

Scientific permits on game preserves, 87-5-401.

**87-5-110. Department to issue regulations.** The department shall issue such regulations as are necessary to carry out the purposes of this part.

**History: En. Sec. 7, Ch. 461, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1807.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-5-111. Enforcement and penalty.** (1) Any person who violates the provisions of this part or whoever fails to procure or violates the terms of any permit issued thereunder shall be guilty of a misdemeanor.

(2) Upon a first conviction for a violation under this part, the court may fine the defendant not to exceed $250. Upon a second such conviction, the defendant may be fined not to exceed $500 or be imprisoned in the county jail for any term not to exceed 30 days, or both. Upon subsequent such convictions, the defendant shall be fined not less than $500 or more than $1,000 and in addition may be imprisoned in the county jail for any term not to exceed 6 months.

(3) Any officer employed and authorized by the director or any peace officer of the state or of any municipality or county within the state shall have authority to enforce the provisions of this part.

(4) Wildlife seized under the provisions of this part shall be held by an officer or agent of the department pending disposition of court proceedings and thereafter be forfeited to the state for disposition as the director may deem appropriate. Prior to forfeiture, the director may direct the transfer of wildlife so seized to a qualified zoological, educational, or scientific institution for safekeeping. The department is authorized to issue regulations to implement this subsection.

**History: En. Sec. 8, Ch. 461, L. 1973; amd. Sec. 1, Ch. 359, L. 1975; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1808.**

**87-5-112. Construction.** None of the provisions of this part shall be construed to apply retroactively or to prohibit importation into the state of wildlife which may be lawfully imported into the United States or lawfully taken or removed from another state or to prohibit entry into the state or possession, transportation, exportation, processing, sale or offer for sale, or shipment of any wildlife whose species or subspecies is deemed to be threatened with statewide extinction in this state but not in the state where originally taken, if the person engaging therein demonstrates by substantial evidence that such wildlife was lawfully taken or removed from such state; provided that this subsection shall not be construed to permit the possession, transportation, exportation, processing, sale or offer for sale, or shipment within this state of wildlife on the United States' list of endangered native fish and wildlife, as amended and accepted in accordance with 87-5-107(5), except as permitted in the provision by 87-5-107(3) and (4) and 87-5-109(1).

**History:** **En. Sec. 9, Ch. 461, L. 1973; R.C.M. 1947, 26-1809(1).**

**Cross-References**

Importation of game animals, Title 81, ch. 2, part 7.

**87-5-113 through 87-5-120 reserved.**

**87-5-121. Nongame wildlife account.** (1) There is a nongame wildlife account in the state special revenue fund provided for in 17-2-102.

(2) All money collected under 15-30-150 and all interest earned by the fund before being expended under this section must be deposited in the account, except as provided in subsection (5).

(3) Money in the account must be used by the department, upon the approval of the commission as determined under 87-5-122, to provide adequate funding for:

(a) research and education programs on nongame wildlife in Montana, as provided for in 87-5-104; and

(b) any management programs for nongame wildlife approved by the legislature under 87-5-105 as species or subspecies in need of management.

(4) The money is available to the department in the same manner as provided in 87-1-601, except that no money collected under 15-30-150 may be used:

(a) for the purchase of any real property; or

(b) in such a way as to interfere with the production on or management of private property.

(5) The department of revenue may deduct from collections an amount not to exceed $1 for each tax checkoff contribution for administering the voluntary checkoff program. *(Subsection (5) is not effective since contingency in sec. 5, Ch. 589, L. 1987, did not occur.)*

**History:** **En. Sec. 2, Ch. 627, L. 1983; amd. Sec. 48, Ch. 281, L. 1983; amd. Sec. 2, Ch. 436, L. 1985; amd. Sec. 1, Ch. 589, L. 1987.**

**Compiler's Comments**

*Contingency Authorization:* Section 5, Ch. 589, L. 1987, provided: "The authorization for deduction of administrative costs for the department of revenue in 87-5-121(5) of this act is contingent on passage and approval by the 50th legislature of legislation to require a similar deduction for administrative costs for all voluntary income tax checkoff programs authorized by law." (This contingency did not occur.)

**Cross-References**

Legislative Finance Committee, Title 5, ch. 12, part 2.

**87-5-122. Duties of commission.** (1) The commission shall review and approve annually the nongame wildlife programs projects recommended by the department for funding from the nongame wildlife account. The commission shall provide for public comment during the review and approval process.

(2) The commission may adopt rules governing:

(a) the use of the nongame wildlife account set forth in 87-5-121; and

(b) the review and approval process set forth in subsection (1).

**History: En. Sec. 4, Ch. 627, L. 1983.**

**87-5-123. Report.** The department shall report to each legislature the results of any program using money from the nongame wildlife account and shall list in detail how the money collected was used.

**History: En. Sec. 5, Ch. 627, L. 1983; amd. Sec. 2, Ch. 589, L. 1987.**

## Part 2

## Wild Birds — Regulation of Raptors

**87-5-201. Protection of wild birds and their nests and eggs.** (1) It is unlawful for a person to hunt, capture, kill, possess, purchase, offer or expose for sale, ship, or transport any wild bird, other than a game bird, or any part of the plumage, skin, or body of the bird, irrespective of whether the bird was captured or killed within the state, or to take or destroy the nest or eggs of a wild bird, except under a certificate, falconer's license, or permit issued by the director.

(2) This section does not apply to:

(a) the hunting, trapping, or killing of house sparrows, crows, starlings, rock doves, blackbirds, magpies, and other birds the department designates or to the taking or destruction of their nests and eggs;

(b) the possession or transportation of parts or plumage of eagles used for religious purposes by a member of an Indian tribe when possessed or transported as permitted by 16 U.S.C. 668a.

**History: En. Sec. 41, Ch. 173, L. 1917; re-en. Sec. 3723, R.C.M. 1921; amd. Sec. 18, Ch. 77, L. 1923; amd. Sec. 20, Ch. 59, L. 1927; re-en. Sec. 3723, R.C.M. 1935; amd. Sec. 16, Ch. 224, L. 1947; amd. Sec. 2, Ch. 309, L. 1971; amd. Sec. 33, Ch. 511, L. 1973; amd. Sec. 38, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501; amd. Sec. 1, Ch. 301, L. 1983.**

**Cross-References**

License required to kill game birds, 87-2-103.

Unlawful to buy, sell, possess, or transport game birds, 87-3-111, 87-4-705.

Destruction of eagles or predatory hawks and owls, 87-5-209.

Protection of birds in game preserves, Title 87, ch. 5, part 4.

**87-5-202. Definition of raptors.** "Raptors", when used in this part, means all birds of the orders falconiformes and strigiformes, commonly called falcons, hawks, eagles, ospreys, and owls.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(1).**

**87-5-203. Regulation of raptors.** A person may not at any time hunt, capture, kill, possess, purchase, offer or expose for sale, or transport a raptor except as provided in this part.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(2).**

**87-5-204. License and rules for falconry.** (1) The department may adopt specific rules for the keeping of records and for the trapping, taking, possession, or training of raptors used in the practice of falconry and may authorize the issuance of licenses to persons for the practice of falconry. Except as provided in 87-5-210, it is unlawful for any person to possess a raptor or to train a raptor in the practice of falconry without a license.

(2) The fee for a falconry license is $3 a year or any part of a year. A license expires April 30 each year.

(3) A license may not be issued to a person under the age of 12 years.

(4) Licensees shall have in possession a valid falconer's license when engaged in the practice of falconry. In addition, falconers loosing raptors at game birds shall have in possession a valid resident or nonresident upland game bird license or waterfowl stamp, as appropriate.

(5) Falconry licenses or permits are not transferable and may be revoked for due cause at any time by the department.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(3), (5), (6), (13), (14); amd. Sec. 1, Ch. 297, L. 1983; amd. Sec. 4, Ch. 105, L. 1987.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

Discrimination in license issuance prohibited, 49-3-204.

**87-5-205. Restrictions on species allowed for falconry.** (1) The peregrine falcon (Falco peregrinus), bald eagle (Haliaeetus leucocephalus), and osprey (Pandion haliaeetus) may not be captured in this state for the sport of falconry.

(2) Species of raptors which are native to North America may be brought into Montana for the purpose of falconry unless that action is specifically prohibited by this part, the laws of other states, or the rules of the federal government. Those raptors may be possessed, subject to this part. A person bringing a raptor into this state must be able to show proof of the area of origin.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(4), (7); amd. Sec. 1, Ch. 422, L. 1987.**

**Cross-References**

Importation permits and health certificates, Title 81, ch. 2, part 7.

**87-5-206. Restrictions on taking, possessing, and selling raptors.** (1) A licensee may not at any time possess more than three raptors, including those that have been imported, except as permitted by the department under 87-5-210.

(2) Licensees may take raptors as young or fledglings from nests (unless specifically prohibited by department rules) or by traps or nets which are humane in their operation and use. Not more than one young may be taken from one nest by a permittee or permittees, and at least one young must be left in the nest. The department may close an area of the state to the taking of raptors at any time or designate other raptors which may not be taken. This subsection does not permit the removal of raptors in any national or

state refuge or park or in any area in which local laws may prohibit that activity. Trapping raptors is permitted only between September 1 and February 1.

(3) A licensee may not transfer ownership or possession of a raptor taken or possessed under the provisions of this part without notifying the department within 10 days after the date of transfer.

(4) A person may not sell or offer for sale raptors in this state except as permitted by the department under 87-5-210. A person may not transport raptors out of the state except by permit issued by the department.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(8), (9), (12), (15); amd. Sec. 2, Ch. 297, L. 1983; amd. Sec. 1, Ch. 532, L. 1987.**

**87-5-207. Restrictions on use of raptors.** (1) Raptors may not be used to intentionally flush or harass big game.

(2) Raptors may not be loosed intentionally at protected mammals and birds. Game bird limits and all seasons and other rules relating to game birds must be obeyed.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(10), (11).**

**87-5-208. Nonresidents allowed raptors in state.** Nonresidents who are working, attending schools, or otherwise living temporarily in the state of Montana may obtain a Montana falconry license and bring raptors, legally acquired in other states or countries, into the state of Montana. Such nonresidents shall be allowed to hunt with falcons in the state of Montana subject to all Montana laws and rules.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(16).**

**87-5-209. Destruction of eagles or predatory hawks and owls.** Predatory hawks and owls destroying livestock or poultry may be killed at any time by the livestock or poultry owners. Eagles may be killed in compliance with federal law and regulation.

**History: En. Sec. 3, Ch. 309, L. 1971; amd. Sec. 34, Ch. 511, L. 1973; amd. Sec. 1, Ch. 34, L. 1974; amd. Sec. 39, Ch. 9, L. 1977; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-501.1(17).**

**87-5-210. Captive breeding of raptors — permit — fee — transfer and revocation — rules.** (1) The department may grant permits to a person, whether or not licensed under this part, for the taking and holding of raptors for captive breeding purposes under such conditions, consistent with this part, as the department may specify in the permit.

(2) The fee for a captive breeding permit is $20 a year.

(3) Captive breeding permits are not transferable and may be revoked at any time by the department for violation of any conditions of the permit or regulations of the department.

(4) The department may adopt rules for the keeping of records on, the trapping, taking, possession, propagation, and release of, and the sale of progeny of raptors taken and held for captive breeding projects.

**History: En. Secs. 3, 4, 5, Ch. 297, L. 1983; amd. Sec. 2, Ch. 532, L. 1987.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

## Part 3

## Grizzly Bear

**Part Cross-References**

Grizzly as state animal, 1-1-508.

Registration for sale of certain grizzly bears, 87-3-110.

**87-5-301. Policy toward grizzly bear.** It is hereby declared the policy of the state of Montana to protect, conserve, and manage grizzly bear as a rare species of Montana wildlife.

**History: En. Sec. 1, Ch. 134, L. 1969; R.C.M. 1947, 26-307.2.**

**87-5-302. Commission regulations on grizzly bear.** The commission shall have authority to provide open and closed seasons; means of taking; shooting hours; tagging requirements for carcasses, skulls, and hides; possession limits; and requirements for transportation, exportation, and importation of grizzly bear.

**History: En. Sec. 2, Ch. 134, L. 1969; R.C.M. 1947, 26-307.3.**

**Cross-References**

Importation permits and health certificates, Title 81, ch. 2, part 7.

Department authorized to make rules relative to bear, 87-1-201.

Fixing of seasons and bag and possession limits, 87-1-304.

Tagging of carcasses of game animals, 87-2-509.

Disposition of bear carcass, 87-3-102.

Registration for sale of certain grizzly bears, 87-3-110.

**87-5-303. Repealed.** Sec. 5, Ch. 568, L. 1985.

**History: En. Sec. 4, Ch. 167, L. 1973; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-301.1.**

## Part 4

## Game Preserves and Closed Areas

**Part Cross-References**

Establishment of state scientific and recreational park to protect biological station grounds, Title 23, ch. 1, part 2.

Permit for carrying weapons, 45-8-319.

Commission empowered to establish fish and game refuges, 87-1-305.

Acquisition of land by United States for migratory bird reservation, 87-1-705.

Regulation of bird reserve in Flathead County, 87-1-706.

Taking fish or game for scientific purposes, 87-2-806, 87-5-109.

Protection of wild birds and their nests and eggs, 87-5-201.

**87-5-401. Creation of game preserves and general provisions.** (1) There are game preserves within the state for the better protection of all the game animals and birds within their limits. Except as otherwise provided in this part, no person may, within the limits of a game preserve created by the legislature or by the commission, hunt for, trap, capture, kill, or take game animals, fur-bearing animals, or birds of any kind. Within the limits of a preserve, a person may not carry or discharge firearms, create any unusual disturbance tending to frighten or drive away any of the game animals or birds, or chase them with dogs. The commission may declare any preserve open to the trapping of fur-bearing animals during the regular open season.

(2) Permits to capture animals or birds for the purpose of propagation or for scientific purposes, to trap fur-bearing animals, to destroy mountain lions, wolves, foxes, coyotes, wildcats, lynx, or other predatory animals or birds, or to carry firearms may be issued by the director upon the payment of the fee and in accordance with rules established for the preserve by the commission.

**History:** **En. Sec. 83, Ch. 173, L. 1917; re-en. Sec. 3761, R.C.M. 1921; re-en. Sec. 3761, R.C.M. 1935; amd. Sec. 28, Ch. 224, L. 1947; amd. Sec. 1, Ch. 31, L. 1949; amd. Sec. 44, Ch. 511, L. 1973; amd. Sec. 50, Ch. 9, L. 1977; R.C.M. 1947, 26-1101; amd. Sec. 1, Ch. 18, L. 1981.**

**87-5-402. Posting of notice and additional provisions.** (1) Preserves, refuges, sanctuaries, rest grounds, or closed districts made or created by said department and any land or water areas or portions thereof closed by said department shall be conspicuously posted for a period of 20 days, with posters setting forth their purposes and the penalties for violating the orders and rules and regulations of the department applicable to them. Not less than 20 days before any fish and game district, closed district, preserve, refuge, sanctuary, or rest ground, so created by said department, or closure of land or water areas becomes effective, publication shall be made as provided in 87-1-202 of the boundaries of such fish and game district, closed district, preserve, refuge, sanctuary, or rest ground, so created by said department, such boundaries to be accurately designated by definite topographic monuments or public land survey.

(2) The hunting, pursuing, capturing, killing, or taking of any fish, game animals, game birds, or fur-bearing animals in violation of the rules, regulations, or orders of the department governing any closed season, fish and game district, refuge, sanctuary, preserve, rest ground, or closed land or water area promulgated by said department shall be punishable with the same penalties as provided for the violation of the state fish and game laws of this state regarding closed seasons.

(3) All game preserves or refuges heretofore created are continued in full force and effect until such time as the same are changed by the department in the manner herein designated. Said department shall have the right, power, and authority, when properly petitioned, to alter and change the boundaries of or entirely do away with and abandon any preserve or refuge, excepting the Sun River game preserve, when, in the opinion of said department, it is to the best interest so to do.

**History:** **En. Sec. 27, Ch. 193, L. 1921; re-en. Sec. 3676, R.C.M. 1921; amd. Sec. 1, Ch. 87, L. 1933; re-en. Sec. 3676, R.C.M. 1935; amd. Sec. 1, Ch. 145, L. 1937; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-127.**

**Cross-References**

Definition of "enter or remain unlawfully", 45-6-201.

**87-5-403. Sun River game preserve.** There is a Sun River game preserve described as follows: beginning at a point on the continental divide of the Rocky Mountains, due south of the head or source of the south fork of the north fork of Sun River, in what will be, when surveyed, section 8, township 18 north of range 10 west, Montana meridian; thence due north from the crest of the continental divide to the head of the south fork of the north fork of Sun River; thence northerly along and down the course of the south fork of the north fork of Sun River as it winds and turns to its confluence with the north fork of the north fork of Sun River; thence northerly along the course of the north fork of the north fork of Sun River as it winds and turns to its head or source; thence due north to the crest of the continental divide of the Rocky Mountains; thence along the crest of the continental divide of the Rocky Mountains southwesterly and southerly to the place of beginning, intending hereby to include in said game preserve all that territory lying between the south fork of the north fork and the north fork of the north fork of Sun River on the east and the continental divide of the Rocky Mountains on the west.

**History: En. Sec. 1, Ch. 34, L. 1913; re-en. Sec. 83, Ch. 173, L. 1917; re-en. Sec. 3763, R.C.M. 1921; re-en. Sec. 3763, R.C.M. 1935; amd. Sec. 26, Ch. 9, L. 1977; R.C.M. 1947, 26-1102.**

**87-5-404. Flathead Lake bird preserve.** (1) Those certain islands, two in number, including lot one of block one, containing two and fifty-seven hundredths acres; lot two of block one, containing two and sixty hundredths acres; lot one of block two, containing one and sixty-five hundredths acres, all being in the villa site of islands situated in Flathead Lake in the county of Flathead, Montana, according to the official plat and survey of said land returned to the general land office by the surveyor general, be and the same are hereby made a perpetual place of refuge for birds of all kinds, the same to be called and known as "Flathead Lake bird preserve", which said lands shall be specially reserved for the breeding, propagating, and protection of all species of birds.

(2) It shall be unlawful for any person to kill, shoot, capture, or destroy or in any way injure any bird on said islands or to interfere with their eggs or nests or to shoot at, wound, or kill any bird within a distance of 400 yards from the shoreline of said islands.

(3) It shall be unlawful for any person to kill, shoot, capture, or destroy or in any way injure any bird or animal on the university of Montana biological reserve located on the east shore of Flathead Lake or to interfere with their eggs or their young or their nests or to shoot at, wound, or kill any bird or any animal within 400 yards of said university of Montana biological reserve or to discharge any firearms on said reserve or within 400 yards thereof.

**History: En. Sec. 83, Ch. 173, L. 1917; re-en. Sec. 3768, R.C.M. 1921; re-en. Sec. 3768, R.C.M. 1935; R.C.M. 1947, 26-1107.**

**Cross-References**

Regulation of bird reserve in Flathead County, 87-1-706.

**87-5-405. Teton-Spring Creek bird preserve — special archery season.** (1) For the better protection and propagation of birds, the following described area in Teton County, state of Montana, is hereby set aside and established as a state bird preserve, to be known as the Teton-Spring Creek bird preserve: All of sections 2, 3, 4, 9, 10, 11, 12, 13, 14, and 15 in township 24 north, range 5 west.

(2) The department may open all or part of the Teton-Spring Creek bird preserve for a special archery season in accordance with 87-1-304 and 87-2-708.

**History: En. Sec. 1, Ch. 33, L. 1923; re-en. Sec. 3776.3, R.C.M. 1935; R.C.M. 1947, 26-1116; amd. Sec. 2, Ch. 18, L. 1981.**

**87-5-406. Gates of the Mountains game preserve.** (1) Beginning in section 2, township 12 north, range 3 west, at the southeast corner of upper Holter Lake and proceeding westerly along the northern shoreline of said upper Holter Lake in the Gates of the Mountains area located in Lewis and Clark County, Montana, and then northerly along Stoney Point Beacon road, then northerly along the powerline to said beacon, then along the bulldozer road to the point of the ridge in section 23, township 13 north, range 3 west, then northerly to the Missouri River, then easterly across said river and lake to the forest service boundary to the wilderness boundary, then south following the wilderness boundary to the southeast corner of section 1, township 12 north, range 3 west, then west back to the upper Holter Lake to the point of beginning, intending hereby to include in said game preserve all that territory adjacent to the Gates of the Mountains area, shall be called and known as the Gates of the Mountains game preserve.

(2) It shall be unlawful for any person to shoot, kill, capture, or destroy or in any way injure any bird or fur-bearing animal in said area or to interfere with their eggs or nests or to shoot at, wound, or kill any bird or fur-bearing animal within said preserve. Said area shall be closed to all hunting at all times.

**History:** **En. Sec. 1, Ch. 115, L. 1971; R.C.M. 1947, 26-1128.**

## Part 5

## Stream Protection

**Part Cross-References**

Recreational use of streams, Title 23, ch. 2, part 3.

Smith River Management Act, Title 23, ch. 2, part 4.

Streambed protection, Title 75, ch. 7, part 1.

Water rights, Title 85, ch. 2, part 2.

**87-5-501. State policy.** It is hereby declared to be the policy of the state of Montana that its fish and wildlife resources and particularly the fishing waters within the state are to be protected and preserved to the end that they be available for all time, without change, in their natural existing state except as may be necessary and appropriate after due consideration of all factors involved.

**History:** **En. Sec. 1, Ch. 10, L. 1965; R.C.M. 1947, 26-1501.**

**87-5-502. Notice of construction or hydraulic projects.** An agency of state government, county, municipality, or other subdivision of the state of Montana, hereafter called applicant, shall not construct, modify, operate, maintain, or fail to maintain any construction project or hydraulic project which may or will obstruct, damage, diminish, destroy, change, modify, or vary the natural existing shape and form of any stream or its banks or tributaries by any type or form of construction without first causing notice of such planned construction to be served upon the department on forms furnished by the department as soon as preliminary plans are completed but not less than 60 days prior to commencement of final plans for construction. Such notice shall include detailed plans and specifications of so much of said project as may or will affect any such stream in any manner specified above.

**History:** **En. Sec. 2, Ch. 10, L. 1965; amd. Sec. 1, Ch. 133, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1502.**

**Cross-References**

"Person" subject to The Natural Streambed and Land Preservation Act of 1975 not covered under this section, 75-7-103.

**87-5-503. Investigation of construction plans.** The department shall promptly examine and investigate all such plans. Should the department determine the plans and specifications furnished with any such application technically insufficient, the department shall so notify the applicant and may render aid in preparing adequate plans and specifications.

**History:** **En. Sec. 3, Ch. 10, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1503.**

**87-5-504. Notice of department findings and alternative plans.** Within 30 days after the receipt of such plans, the department shall notify the applicant whether or not such construction project or hydraulic project will adversely affect any fish or game habitat. If the department notifies the applicant that such construction will adversely affect any fish or game habitat, it shall accompany such notice with recommendations or alternative plans which will eliminate or diminish such adverse effect.

**History:** **En. Sec. 4, Ch. 10, L. 1965; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1504.**

**87-5-505. Arbitration of disputes.** (1) If the department notifies the applicant that the construction will adversely affect fish or game habitat, the applicant, within 15 days after receiving the recommendations and alternatives of the department, shall notify the department if it refuses to modify its plans in accordance with the recommendations or alternatives. In the event of refusal, the disagreement shall be arbitrated as provided in subsection (2) of this section.

(2) (a) Upon receipt of a notice of refusal, the department shall determine if it wants the disagreement arbitrated. Within 10 days after an affirmative determination and after notice to the applicant, the department shall notify, in writing, all district judges of the judicial district or districts in which the project is located that an arbitration board is needed. Within 5 days of receipt of notification, the judges shall appoint three people from the county or counties in which the project is located to an arbitration committee. Within 10 days after the committee is appointed, it shall meet, hear testimony from all the parties concerned, and issue a decision signed by at least two members of the committee. The decision shall be binding on all parties concerned.

(b) Travel expenses of the arbitrators shall be allowed as in 2-18-501 through 2-18-503, as amended, and shall be divided equally among the agencies involved.

**History:** **En. Sec. 5, Ch. 10, L. 1965; amd. Sec. 2, Ch. 133, L. 1971; amd. Sec. 13, Ch. 417, L. 1977; amd. Sec. 5, Ch. 453, L. 1977; R.C.M. 1947, 26-1505.**

**Cross-References**

Uniform Arbitration Act, Title 27, ch. 5.

**87-5-506. Vested water rights preserved and emergency actions excepted.** This part shall not operate or be so construed as to impair, diminish, divest, or control any existing or vested water rights under the laws of the state of Montana or the United States or operate in emergencies such as floods, ice jams, or other conditions causing emergency handling.

**History:** **En. Sec. 6, Ch. 10, L. 1965; R.C.M. 1947, 26-1506.**

**87-5-507. Irrigation projects excepted.** This part shall not apply to any irrigation district project or any other irrigation system.

**History:** En. Sec. 7, Ch. 10, L. 1965; amd. Sec. 3, Ch. 133, L. 1971; R.C.M. 1947, 26-1507.

**87-5-508. Federal actions injuring fish and wildlife.** The department shall observe acts and omissions on the part of the government of the United States and its agencies within the state of Montana which do, will, or might affect adversely the fish and wildlife resources, including but not limited to the fishing streams within the state, and upon receiving such information, the department shall without delay send formal notification in writing, by certified mail, to the appropriate federal agency or agencies involved, setting forth in detail the appropriate objections of the state of Montana to the acts and omissions aforesaid. The department shall keep complete files and records, available for public inspection, of all matters and things done and all communications and correspondence sent and received pursuant to this section.

**History:** En. Sec. 4, Ch. 133, L. 1971; amd. Sec. 11, Ch. 417, L. 1977; R.C.M. 1947, 26-1508.

**87-5-509. Penalty and restoration.** (1) An agency, under 87-5-502, violating provisions of this part shall be assessed a fine of not less than $100 or more than $500 for each day of continuing violation but not more than a total of $1,000.

(2) In addition, at the discretion of the court, the agency shall restore the damaged stream to its prior condition. Employees of an agency acting in the ordinary course of their employment under directions of a superior are not liable for violations under this section.

(3) The department may institute and maintain in the name of the state enforcement proceedings under this section. All fines assessed under this section shall be deposited in the state special revenue fund for the use of the department.

**History:** En. 26-1509 by Sec. 1, Ch. 339, L. 1975; amd. Sec. 13, Ch. 417, L. 1977; R.C.M. 1947, 26-1509; amd. Sec. 1, Ch. 277, L. 1983.

**Cross-References**

Enforcement power of Department, 87-1-201.

## Part 6

## Fish and Wildlife Crimestoppers

**Part Cross-References**

Livestock crimestoppers, Title 81, ch. 6, part 3.

**87-5-601. Short title.** This part may be cited as the "Fish and Wildlife Crimestoppers Act".

**History:** En. Sec. 1, Ch. 305, L. 1985.

**87-5-602. Definitions.** As used in this part, the following definitions apply:

(1) "Board" means the fish and wildlife crimestoppers board created in 2-15-3404.

(2) "Department" means the department of fish, wildlife, and parks.

(3) "Program" means the fish and wildlife crimestoppers program created under 87-5-605.

**History:** **En. Sec. 2, Ch. 305, L. 1985.**

**87-5-603. Functions of the board.** The board shall recommend to the department:

(1) the names of individuals to be rewarded for providing information used in detecting and combating fish and wildlife-related crimes;

(2) the amount of any reward recommended; and

(3) means for promoting the program.

**History:** **En. Sec. 3, Ch. 305, L. 1985.**

**87-5-604. Expenses of board members.** Members of the board are entitled to no salary but are entitled to expenses incurred while on official business, as provided in 2-18-501 through 2-18-503.

**History:** **En. Sec. 4, Ch. 305, L. 1985.**

**87-5-605. Powers and duties of department — rules.** (1) The department shall:

(a) create, maintain, and promote a statewide fish and wildlife crimestoppers program in order to assist law enforcement agencies in detecting and combating fish and wildlife-related crimes; and

(b) consider the board's recommendations and take action on them.

(2) The department may:

(a) advise and assist in the creation and maintenance of local programs;

(b) encourage the channeling of information from state and local programs to law enforcement agencies;

(c) foster the detection of fish and wildlife-related crimes by the public;

(d) encourage the public, through a reward program or otherwise, to provide information that assists in the prosecution of fish and wildlife-related crimes;

(e) promote state and local programs through the media;

(f) accept gifts, grants, or donations for the furtherance of the program and spend these in compliance with the conditions of the gifts, grants, or donations; and

(g) adopt rules necessary to administer the provisions of this part.

**History:** **En. Sec. 5, Ch. 305, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-5-606. Confidentiality.** The identity of a person submitting information under the program and any information that may lead to the disclosure of such identity is confidential.

**History:** **En. Sec. 6, Ch. 305, L. 1985.**

## Part 7

## Importation, Introduction, and Transplantation of Wildlife

**Part Cross-References**

Importation, introduction, or transplantation of wildlife — unlawful, 87-3-105.

**87-5-701. Purpose.** The legislature finds that in order to protect the native wildlife and plant species of Montana and to protect the agricultural production of Montana, it is necessary to provide for the control of the importation for introduction and the transplantation or introduction of wildlife in the state. Serious threats, known and unknown, to the well-being of native wildlife and plant species and to agricultural production, resulting from the introduction of wildlife into natural habitats, necessitate the prohibition of the importation for introduction and the transplantation or introduction of wildlife into natural habitats unless it can be shown that no harm will result from such transplantation or introduction. Any importation for introduction or the transplantation or introduction permitted must be conducted in a manner to assure that the introduced or transplanted population can be controlled if harm arises from unforeseen effects.

**History:** En. Sec. 2, Ch. 624, L. 1985.

**87-5-702. Definitions.** For purposes of this part, the following definitions apply:

(1) "Feral" means the appearance in a natural habitat of an animal that has escaped domestication and become wild.

(2) "Importation" means the act of bringing into the state any wildlife.

(3) "Introduction" means the release of or attempt to release, intentional or otherwise, wildlife from outside the state into natural habitats of the state.

(4) "Natural habitat" means any area in which the introduction of wildlife species may result in an uncontrolled, naturally reproducing population of that species becoming established.

(5) "Transplantation" means the release of or attempt to release, intentional or otherwise, wildlife from one place within the state into natural habitats in another part of the state.

(6) "Wildlife" means any wild mammal, bird, reptile, amphibian, fish, mollusk, crustacean, or other wild animal or the egg or offspring thereof.

**History:** En. Sec. 3, Ch. 624, L. 1985.

**87-5-703. Applicability to other provisions for importation or introduction of wildlife.** Sections 87-5-701 through 87-5-704, 87-5-711, 87-5-713 through 87-5-716, and 87-5-721 do not apply to the importation of wildlife for the commercial pet trade or to the provisions on importation or introduction of wildlife contained in the following laws:

(1) Title 80;

(2) 87-3-207 and 87-3-208;

(3) 87-3-221 through 87-3-224 or 87-3-209, 87-3-210, and 87-3-225 through 87-3-227;

(4) 87-4-422;

(5) 87-5-112;

(6) 87-5-205;

(7) 87-5-302; or

(8) Title 81, chapter 2.

**History:** En. Sec. 11, Ch. 624, L. 1985; amd. Sec. 13, Ch. 376, L. 1989.

**Compiler's Comments**

*1989 Amendment:* In (3) inserted "or 87-3-209, 87-3-210, and 87-3-225 through 87-3-227".

**87-5-704. Rulemaking.** (1) The commission may adopt rules to implement 87-5-701, 87-5-702, and 87-5-711 through 87-5-715. In implementing 87-5-713, the commission may adopt rules approving species of wildlife that may be introduced by the department. In implementing 87-5-715, the commission may adopt rules to authorize the control or extermination by the department of introduced wildlife species.

(2) The department may adopt rules to implement 87-5-713 and 87-5-715. In implementing 87-5-713 and 87-5-715, the department may not adopt rules in the subject areas reserved to the commission in subsection (1).

**History: En. Sec. 10, Ch. 624, L. 1985.**

**Cross-References**

Adoption and publication of rules — Montana Administrative Procedure Act, Title 2, ch. 4, part 3.

**87-5-705 through 87-5-710 reserved.**

**87-5-711. Control of importation for introduction and transplantation or introduction of wildlife.** Except as otherwise provided, the importation for introduction or the transplantation or introduction of any wildlife is prohibited unless the commission determines, based upon scientific investigation and after public hearing, that a species of wildlife poses no threat of harm to native wildlife and plants or to agricultural production and that the transplantation or introduction of a species has significant public benefits.

**History: En. Sec. 4, Ch. 624, L. 1985.**

**87-5-712. Authority for commission to control importation generally of certain wildlife species.** The commission may, after public hearing, list by administrative rule wildlife species prohibited from importation for captive breeding for research or commercial purposes or for the commercial pet trade if the commission finds, based on scientific investigation, that the species, because of behavioral traits or other biological considerations, would not be readily subject to control by man while in captivity or that if released into natural habitat would pose a substantial threat to native wildlife and plants or agricultural production.

**History: En. Sec. 7, Ch. 624, L. 1985.**

**87-5-713. Control of wildlife species permitted to be transplanted or introduced.** Any wildlife species listed in 87-5-714 or approved by the commission for introduction or transplantation may be introduced or transplanted only subject to a plan developed by the department to assure that the population can be controlled if any unforeseen harm should occur.

**History: En. Sec. 5, Ch. 624, L. 1985.**

**87-5-714. Wildlife species authorized for introduction or transplantation.** (1) The following wildlife species may be introduced or transplanted by the department based upon scientific investigation and upon approval of the commission:

(a) gray (Hungarian) partridge (Perdix perdix);

(b) chukar partridge (Alectoris chukar);

(c) ring-necked pheasant (Phasianus colchicus);
(d) turkey (Meleagris gallopavo);
(e) rainbow trout (Salmo gairdneri);
(f) golden trout (Salmo aquabonita);
(g) brown trout (Salmo trutta);
(h) brook trout (Salvelinus fontinalis);
(i) lake trout (Salvelinus namaycush);
(j) northern pike (Esox lucius);
(k) black bullhead (Ictalurus melas);
(l) yellow bullhead (Ictalurus natalis);
(m) largemouth bass (Micropterus salmoides);
(n) smallmouth bass (Micropterus dolomieui);
(o) pumpkinseed sunfish (Lepomis gibbosus);
(p) bluegill (Lepomis macrochirus);
(q) green sunfish (Lepomis cyanellus);
(r) rock bass (Ambloplites rupestris);
(s) black crappie (Pomoxis nigromaculatus);
(t) white crappie (Pomoxis annularis);
(u) yellow perch (Perca flavescens);
(v) walleye (Stizostedion vitreum);
(w) cisco (tulibee) (Coregonus artedii);
(x) spottail shiner (Notropis hudsonius);
(y) kokanee salmon (Oncorhynchus nerka);
(z) chinook salmon (Oncorhynchus tshawytscha);
(aa) lake whitefish (Coregonus clupeaformis);
(bb) golden shiner (Notemigonus crysoleucas).

(2) The commission may by rule and subject to the provisions of 87-5-711 authorize the department to transplant or introduce species of wildlife not listed in subsection (1).

**History:** **En. Sec. 9, Ch. 624, L. 1985.**

**87-5-715. Extermination or control of transplanted or introduced wildlife or feral species posing threat.** Any wildlife or feral species transplanted or introduced in the state may be exterminated or controlled by the department if the commission determines that the species poses harm to native wildlife or plants or to agricultural production.

**History:** **En. Sec. 6, Ch. 624, L. 1985; amd. Sec. 12, Ch. 376, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning of first sentence deleted clause referring to 87-5-714 and after "commission" deleted "after scientific investigation by the department and after public hearing"; and deleted third sentence authorizing Department to take action, by emergency rule without hearing, to control or exterminate transplanted wildlife or species posing threat.

**87-5-716. Consultation with the departments of agriculture and livestock.** The commission and the department shall consult with the departments of agriculture and livestock in all matters relating to the control of wildlife species that may have a harmful effect on agricultural production or livestock operations in the state.

**History:** **En. Sec. 8, Ch. 624, L. 1985.**

**87-5-717 through 87-5-720 reserved.**

**87-5-721. Penalty — license and permit revocation and denial.** A person who violates a provision of this part is guilty of a misdemeanor punishable as provided in 87-1-102, and the department, upon conviction of the person, shall revoke any license or permit issued by it under this title to the person and deny any application by the person for a license or permit under this title for a period not to exceed 2 years from the date of the conviction.

**History:** **En. Sec. 12, Ch. 624, L. 1985.**

# TITLES 88 AND 89

RESERVED

# TITLE 90

## PLANNING, RESEARCH, AND DEVELOPMENT

Ch.
1. Development Coordination.
2. Resource Development and Reclamation.
3. Montana Science and Technology Financing Act.
4. Energy Development and Conservation.
5. Secondary Industry and Commercial Development.
6. Community Impact — Planning and Abatement.
7. Health Facility Development.
8. Montana Capital Company Act.
9. Agriculture Development.
Chapter 10 reserved.
11. Indian Affairs — Planning and Coordination.
Chapters 12 through 14 reserved.
15. Natural Resource Information System.

# CHAPTER 1

## DEVELOPMENT COORDINATION

### Part 1 — Planning and Economic Development

90-1-101. Declaration of necessity and public policy.
90-1-102. Functions of department of commerce — state planning.
90-1-103. Functions of department of commerce — community development.
90-1-104. Functions of department of commerce — recreational development.
90-1-105. Functions of department of commerce — economic development.
90-1-106. Functions of department of commerce — housing.
90-1-107. Contracts and agreements for projects and programs — cooperation with other agencies.
90-1-108. County land planning assistance.
90-1-109. State census and economic information center.

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**Chapter Cross-References**

Laws to protect, enhance, and develop all agriculture, Art. XII, sec. 1(1), Mont. Const.

The Planned Community Development Act of 1973, Title 7, ch. 2, part 47.

Business improvement districts, Title 7, ch. 12, part 11.

Parking, Title 7, ch. 14, part 46.

Urban renewal, Title 7, ch. 15, parts 42 and 43.

Municipal housing authorities, Title 7, ch. 15, parts 44 and 45.

Business incubator tax exemption, Title 15, ch. 24, part 18.

Montana economic development fund, 17-6-331.

Preservation of antiquities, 23-1-107.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Montana Development Credit Corporation, 32-4-102.

Small tract financing, Title 71, ch. 1, part 3.

Montana Environmental Policy Act, Title 75, ch. 1.

Montana Major Facility Siting Act, Title 75, ch. 20.

City-County Planning Boards, Title 76, ch. 1.

Planning and zoning, Title 76, ch. 2.

Comprehensive planning — open space land, Title 76, ch. 6.

Montana Natural Areas Act of 1974, Title 76, ch. 12, part 1.

Development of state lands, Title 77, ch. 1, part 6.

Oil and gas development, 77-3-402.

Power sites on state lands, 77-4-204.

Water resource development, Title 85, ch. 1.

## Part 1

## Planning and Economic Development

**90-1-101. Declaration of necessity and public policy.** (1) It is hereby declared to be a necessity and the public policy of the state to promote, stimulate, and encourage the planning and development of the economy of the state in order to provide for the social and economic prosperity of its citizens. Such promotion and development of industry, commerce, agriculture, labor, and natural resources of the state require that cognizance be taken of the continuing migration of people to the urban areas in search of job opportunities and the fact that Montana is making a needed transition to a diversified economy. Community planning, greater diversification of industry and attraction of additional industry, accelerated development of natural resources, expansion of existing industry, creation of new uses for agricultural products, greater emphasis on scientific research, development of new markets for the products of the state, and the attainment of a proper balance in the overall economic base are all necessary in order to create additional employment opportunities, increase personal income, and promote the general welfare of the people of this state.

(2) The legislature recognizes that consistency and continuity in the adoption and application of environmental rules are essential to the protection and enhancement of Montana's economic well-being, that consistency and continuity are particularly important to those persons who have made a financial commitment after completing an application for an environmental permit based on the existence of certain environmental rules, and that those persons are entitled to a reasonable expectation that requirements in such a permit will not be changed to their detriment. Therefore, when a person makes a financial commitment after having completed an application for an environmental permit, it is the policy of the state not to change the requirements for such permit to the detriment of the applicant or permittee without having first taken into account and given consideration to previous expenditures made by the applicant or permittee.

(3) The department of commerce shall be regarded as performing a governmental function in carrying out the provisions of 90-1-102 through 90-1-109.

**History: En. Sec. 2, Ch. 19, L. 1967; amd. Sec. 82, Ch. 348, L. 1974; amd. Sec. 43, Ch. 213, L. 1975; R.C.M. 1947, 82-3702; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 1, Ch. 679, L. 1983.**

**Cross-References**

Montana Environmental Policy Act, Title 75, ch. 1.

Air quality permits, 75-2-211.

Water quality permits, Title 75, ch. 5, part 4.

Montana Major Facility Siting Act, Title 75, ch. 20.

**90-1-102. Functions of department of commerce — state planning.** The department of commerce shall:

(1) develop and adopt a comprehensive plan for the physical development of the state;

(2) make economic and social studies needed to accomplish the purposes of this part;

(3) coordinate and assist regional development groups in the comprehensive development of the resources of the region to the betterment of Montana;

(4) assemble and correlate information for the purpose of making long-range plans for economic and resource development of the state and its subdivisions relating to all of the factors which influence the development of new and existing economic enterprises, including taxes and the regulation of industry;

(5) provide advice and assistance to Montana business and labor in the field of economic development and bring to the attention of the governor those significant problems adversely affecting economic development which may be relieved by state action;

(6) locate and maintain information on prime sites for industrial, agricultural, mineral, forestry, commercial, and residential development and on sites of historical importance and make recommendations for protecting and preserving those sites;

(7) apply for, accept, and administer grants from the federal government or other public or private sources to accomplish the objectives of this part and enter into contracts, including agreements with adjoining states, with respect to planning involving adjoining states;

(8) serve as the consultative, coordinating, and advisory agency for state departments, officials, and agencies in state planning and for encouraging and aiding local planning bodies, either directly or by securing planning assistance, consulting services, and technical aid, which may include land use, demographic, and economic studies and surveys and comprehensive plans.

**History: En. Sec. 5, Ch. 19, L. 1967; amd. Sec. 83, Ch. 348, L. 1974; amd. Sec. 44, Ch. 213, L. 1975; R.C.M. 1947, 82-3705; amd. Sec. 6, Ch. 274, L. 1981.**

**Cross-References**

Department of Commerce, Title 2, ch. 15, part 18.

Preservation of antiquities, Title 22, ch. 3, part 4.

Cooperation of other agencies, 23-1-107.

Montana Development Credit Corporation, 32-4-102.

Montana Major Facility Siting Act, Title 75, ch. 20.

Planning and zoning, Title 76, ch. 2.

Comprehensive planning — open-space land, Title 76, ch. 6.

Development of state lands, Title 77, ch. 1, part 6.

Power sites on state lands, 77-4-204.

Water resources, Title 85, ch. 1.

Research, training, and other projects, 87-1-210.

**90-1-103. Functions of department of commerce — community development.** The department of commerce shall:

(1) cooperate with and provide technical assistance to county, municipal, state, and regional planning commissions, zoning commissions, parks or recreation boards, community development groups, community action agencies, and similar agencies created for the purposes of aiding and encouraging orderly, productive, and coordinated development of the communities of the state;

(2) assist the governor in coordinating the activities of state agencies which have an impact on solution of community development problems and implementation of community plans;

(3) serve as a clearinghouse for information, data, and other materials which may be helpful or necessary to local governments to discharge their responsibilities and provide information on available federal and state financial and technical assistance;

(4) carry out continuing studies and analyses of the problems faced by communities within the state and develop those recommendations for administrative or legislative action as appear necessary. In carrying out the studies

and analyses, the department shall pay particular attention to the problems of metropolitan, suburban, and other areas in which economic and population factors are rapidly changing.

(5) administer the federal community development block grant program and adopt rules to implement the program.

**History:** **En. 82-3705.1 by Sec. 84, Ch. 348, L. 1974; amd. Sec. 45, Ch. 213, L. 1975; R.C.M. 1947, 82-3705.1; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 1, Ch. 230, L. 1985.**

**Cross-References**

Adoption of rules — Montana Administrative Procedure Act, Title 2, ch. 4.

Department of Commerce, Title 3, ch. 15, part 18.

The Planned Community Development Act of 1973, Title 7, ch. 2, part 47.

Urban renewal, Title 7, ch. 15, parts 42 and 43.

Municipal housing authorities, Title 7, ch. 15, parts 44 and 45.

City-County Planning Boards, Title 76, ch. 1.

Planning and zoning, Title 76, ch. 2.

**90-1-104. Functions of department of commerce — recreational development.** The department of commerce shall:

(1) exercise state responsibility for that part of recreational planning and development which is directly related to private investment in recreational facilities;

(2) assemble and correlate information which may influence the development of recreational enterprises and disseminate it to persons, firms, or corporations interested in constructing or maintaining recreational facilities open to the public; and

(3) serve as an ombudsman for the tourism industry and recreationists in all matters concerning the management and regulation of the level of Flathead lake.

**History:** **En. 82-3705.2 by Sec. 85, Ch. 348, L. 1974; amd. Sec. 46, Ch. 213, L. 1975; R.C.M. 1947, 82-3705.2; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 1, Ch. 452, L. 1987.**

**Cross-References**

Department of Commerce, Title 2, ch. 15, part 18.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Acquisition and sale of lands or waters, 87-1-209.

**90-1-105. Functions of department of commerce — economic development.** The department of commerce shall:

(1) provide coordinating services to aid state and local groups in the promotion of new economic enterprises and conduct publicity and promotional activities in connection with new economic enterprises;

(2) collect and disseminate information regarding the advantages of developing agricultural, recreational, commercial, and industrial enterprises within this state;

(3) serve as the state's official liaison between persons interested in locating new economic enterprises in Montana and state and local groups seeking new enterprises;

(4) aid communities interested in obtaining new business or expanding existing business;

(5) study and promote means of expanding markets for Montana products;

(6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and attractions of the state.

**History:** **En. 82-3705.3 by Sec. 86, Ch. 348, L. 1974; amd. Sec. 47, Ch. 213, L. 1975; R.C.M. 1947, 82-3705.3; amd. Sec. 6, Ch. 274, L. 1981.**

**Cross-References**

Laws to protect, enhance, and develop all agriculture, Art. XII, sec. 1(1), Mont. Const.

Department of Commerce, Title 2, ch. 15, part 18.

Montana University System — agricultural related research, 20-25-222 through 20-25-232.

Montana Development Credit Corporation, 32-4-102.

Montana Environmental Policy Act, Title 75, ch. 1.

Montana Major Facility Siting Act, Title 75, ch. 20.

Development of state lands, Title 77, ch. 1, part 6.

Oil and gas development, 77-3-402.

Power sites on state lands, 77-4-204.

Agricultural marketing, Title 80, ch. 11, part 1.

Wheat research and marketing, Title 80, ch. 11, part 2.

Pork research and marketing, Title 81, ch. 8, part 6.

Water resource development, Title 85, ch. 1.

Advice and information by Department of Commerce, 90-5-113.

**90-1-106. Functions of department of commerce — housing.** The department may:

(1) survey and investigate housing needs throughout the state and publish the results and make recommendations to the governor and the legislature as to legislation and other measures necessary, desirable, or advisable to alleviate housing problems;

(2) maintain and disseminate information on available governmental housing assistance programs, eligibility and development requirements, and other similar information; and

(3) promote research and development in housing planning design, production, conservation, rehabilitation, and other matters relating to, or affecting the provision of decent, safe, and sanitary housing in a suitable living environment.

**History: En. 35-526 by Sec. 27, Ch. 461, L. 1975; amd. Sec. 3, Ch. 163, L. 1977; R.C.M. 1947, 35-526.**

**Cross-References**

Urban renewal, Title 7, ch. 15, parts 42 and 43.

Municipal housing authorities, Title 7, ch. 15, parts 44 and 45.

Planning and zoning, Title 76, ch. 2.

**90-1-107. Contracts and agreements for projects and programs — cooperation with other agencies.** (1) The department of commerce may contract for consulting services for the purpose of undertaking and conducting planning and study projects. It may make agreements with other state agencies in order to accomplish its own research programs. It may perform research, but when possible shall make full use of and strengthen the research resources of other state agencies, including the university system. Other state agencies shall provide the department with information which will assist it in carrying out this part.

(2) The department shall assist and cooperate with other state agencies and officials, with official organizations of elected officials in the state, with local governments and officials, and with federal agencies and officials in carrying out the functions and duties of the department.

(3) It may consult with private groups and individuals, and if the department considers it desirable, hold public hearings to obtain information for the purposes of carrying out this part.

**History: En. Sec. 6, Ch. 19, L. 1967; amd. Sec. 87, Ch. 348, L. 1974; R.C.M. 1947, 82-3706; amd. Sec. 6, Ch. 274, L. 1981.**

**Cross-References**

Montana University System — research programs, 20-25-108.

Cooperation of other agencies, 23-1-107.

**90-1-108. County land planning assistance.** (1) The department of commerce shall annually distribute the funds appropriated to it from the county land planning account. Each county shall be allotted $3,000. After this disbursement has been made, 40% of the balance in the account shall be apportioned to the counties according to the ratio of each county's land area to the total land area of the state and 60% of the balance shall be apportioned to the counties according to each county's portion of the total population of the state. If a multijurisdictional planning board has been established in the county, it may receive and expend part or all of the funds allocated to that county.

(2) Counties, cities, or joint planning boards receiving funds under this section shall use such funds for land planning purposes, which include but are not limited to comprehensive planning, economic development planning, and capital improvements planning.

(3) At the end of each fiscal year, every local governing body and planning agency receiving funds under this section shall provide an accounting of how the money was spent, in a form acceptable to the department of commerce. Surplus funds may be accumulated and rebudgeted for the purposes stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year. Any excess funds shall revert to the state special revenue fund for state equalization aid to public schools of the state at the end of each odd-numbered fiscal year, beginning in June 1991.

**History: En. 82-3710 by Sec. 14, Ch. 502, L. 1975; amd. Sec. 4, Ch. 540, L. 1977; R.C.M. 1947, 82-3710; amd. Sec. 1, Ch. 51, L. 1979; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 1, Ch. 78, L. 1985; amd. Sec. 45, Ch. 11, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* In last sentence of (3) substituted "state special revenue fund for state equalization aid to public schools of the state" for "education trust fund account" and at end substituted "1991" for "1987". Amendment effective August 11, 1989, and applies retroactively to July 1, 1989.

**Cross-References**

Allocation of portion of coal severance taxes to credit of county land planning account, 15-35-108(3)(d).

City-County Planning Boards, Title 76, ch. 1, part 1.

Planning and zoning, Title 76, ch. 2.

**90-1-109. State census and economic information center.** The department of commerce shall, in cooperation with other state, federal, and local agencies, establish and maintain a central depository of information, including computer-retrievable files, concerning the significant characteristics of the state, its people, economy, land, and physical characteristics. The department shall analyze and disseminate such information to state, federal, and local agencies and to the general public.

**History: En. Sec. 13, Ch. 274, L. 1981; amd. Sec. 3, Ch. 114, L. 1983.**

**Cross-References**

Right to know, Art. II, sec. 9, Mont. Const.

Districting and apportionment, Art. V, sec. 14, Mont. Const.

State symbols, Title 1, ch. 1, part 5.

Sovereignty and jurisdiction of the state, Title 2, ch. 1, part 1.

Public records, Title 2, ch. 6.

Commission to redistrict and reapportion, 5-1-101.

Montana University System — research programs, 20-25-108.

# CHAPTER 2

# RESOURCE DEVELOPMENT AND RECLAMATION

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90-2-1121. Prohibited compensation to public officers or employees — penalty.

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**Chapter Cross-References**

Classification and alternative management of county lands, Title 7, ch. 8, part 25.

County forests, Title 7, ch. 8, part 26.

County land advisory boards, Title 7, ch. 8, part 27.

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Montana Development Credit Corporation, 32-4-102.

Forest development road, 61-8-110.

Mortgages, Title 71, ch. 1.

Montana Environmental Policy Act, Title 75, ch. 1.

Environmental contingency grant program, Title 75, ch. 1, part 11.

Clean Air Act of Montana, Title 75, ch. 2.

Department of Health and Environmental Sciences research and information — water pollution, 75-5-212.

Financial provisions — water quality, Title 75, ch. 5, part 5.

Flood plain delineation, 76-5-201.

Comprehensive planning — open-space land, Title 76, ch. 6.

Montana Natural Areas Act of 1974, Title 76, ch. 12, part 1.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

Soil conservation — operation of conservation districts, Title 76, ch. 15, part 4.

Cooperative state grazing districts — development of grazing potential, 76-16-305, 76-16-306.

Development of state land resources, Title 77, ch. 1, part 6.

State water plan, 85-1-203.

Water resource development, Title 85, ch. 1, part 6.

Water policy committee, 85-2-105.

Water leasing program, 85-2-141.

Weather modification activities, 85-3-202.

Conservancy districts, Title 85, ch. 9.

Wildlife research, 87-1-210.

Fish and Game Commission, Title 87, ch. 1, part 3.

## Part 1

## Renewable Resource Development Loans, Grants, and Bonds

**90-2-101. Policy and purpose.** (1) In the development of the natural resources of the state, it is essential to distinguish between those which are and those which are not renewable; to make proper charges through taxation and otherwise for the depreciation of nonrenewable resources; and to invest a proper proportion of the tax and other revenues from nonrenewable resources in the replacement thereof with developments of renewable natural resources that will preserve for the citizens the benefit of the state's natural heritage and to ensure that the quality of existing public resources such as land, air, fish, wildlife, and recreational opportunities are not significantly diminished by developments supported by this part.

(2) In order to finance such developments, it is necessary to borrow in anticipation of the receipt of the revenues so that replacement will not lag behind consumption. The purpose of this part is to provide a procedure for borrowing in the most economical way for this purpose, to authorize the creation of debt to finance the first stage of the program, and to describe the types of projects, loans, and grants to be included in the program.

**History: En. 89-3601 by Sec. 1, Ch. 533, L 1975; R.C.M. 1945; 89-3601; amd. Sec. 47, Ch. 505, L. 1981.**

**Cross-References**

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Air quality, Title 75, ch. 2.

Development of state lands, Title 77, ch. 1, part 6.

Fish and Wildlife, Title 87.

**90-2-102. Definitions.** Unless the context requires otherwise, in this part the following definitions apply:

(1) "Renewable resource development program" means such developments in the public interest of renewable natural resources of the state as shall from time to time be acquired, constructed, and financed from funds appropriated to the account and fund referred to in this section and from the proceeds of bonds issued in anticipation of the receipt of these funds.

(2) "Renewable resource development bonds" means all series of bonds authorized by law to be issued pursuant to 90-2-121 to finance any part of the renewable resource development program or to refund any such bonds.

(3) "Renewable resource development account" means a separate account which is created within the state special revenue fund established in 17-2-102 and shall be segregated by the treasurer from all other money in that or any other fund in the state treasury and used only to pay costs of the renewable resource development program, upon order of the board of natural resources and conservation under authority and within limitations provided by law.

(4) "Renewable resource development bond fund" means a separate fund which is created within the debt service fund type established in 17-2-102 and shall be segregated by the treasurer from all other money in that or any other fund in the treasury and used only as provided for herein.

(5) "Treasurer" means the state treasurer.

**History: En. 89-3602 by Sec. 2, Ch. 533, L. 1975; amd. Sec. 1, Ch. 323, L. 1977; R.C.M. 1947, 89-3602(part); amd. Sec. 46, Ch. 298, L. 1983.**

**90-2-103. Constraints on developments generally.** (1) Renewable resource developments shall, whenever practicable, be multiple-use projects and shall not significantly diminish the quality of existing public resources such as land, air, water, fish, wildlife, and recreational opportunities.

(2) Grants or loans under this part may be made only for renewable resource development programs that can be shown to provide a tangible return to the state or its citizens.

(3) To the extent practicable, all work on development projects or programs under this part shall be performed by contract with private persons or organizations, pursuant to all requirements of law for awarding of such contracts.

**History: En. 89-3602 by Sec. 2, Ch. 533, L. 1975; amd. Sec. 1, Ch. 323, L. 1977; R.C.M. 1947, 89-3602(part); amd. Sec. 1, Ch. 413, L. 1981.**

**Cross-References**

Public contracts generally, Title 18, ch. 1.

Public construction contracts, Title 18, ch. 2.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Montana Environmental Policy Act, Title 75, ch. 1.

Clean Air Act of Montana, Title 75, ch. 2.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

Development of state land resources, Title 77, ch. 1, part 6.

Water resource development, Title 85, ch. 1.

**90-2-104. Department to solicit views.** The department of natural resources and conservation shall solicit and consider in its evaluation of proposed projects the views of interested and affected departments, boards, agencies, and other subdivisions of state and federal government and of other interested and affected persons.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(2).**

**Cross-References**

Cooperation of other agencies, 23-1-107.

State and local renewable resource development loans, 90-2-107.

Grants to divisions of state government, 90-2-111.

**90-2-105. Repealed.** Sec. 5, Ch. 51, L. 1979.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(3).**

**90-2-106. Repealed.** Sec. 5, Ch. 51, L. 1979.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(1).**

**90-2-107. State and local renewable resource development loans.** (1) The department of natural resources and conservation may recommend to the governor that loans be made from the renewable resource development account established by this part to any department, agency, board, commission, or other division of state government or to any city, county, or other political subdivision or local government body of the state.

(2) The department shall solicit and consider in its evaluation of proposed projects the views of interested and affected departments, boards, agencies, and other subdivisions of state and federal government and of other interested and affected persons.

(3) The governor shall submit those loan proposals having his approval to the legislature by January 1 of the year of any regular legislative session. Those loan proposals approved by the legislature shall be administered by the department.

(4) The provisions of 90-2-104, 90-2-108, 90-2-109, and 90-2-128 shall govern and apply to the local renewable resource loans herein provided for.

(5) Both the loans provided for by this section and the grants provided for by 90-2-111 may be submitted to the governor and approved by the legislature as may be necessary to jointly finance any project.

**History: En. 89-3605 by Sec. 5, Ch. 533, L. 1975; amd. Sec. 3, Ch. 323, L. 1977; R.C.M. 1947, 89-3605; amd. Sec. 16, Ch. 717, L. 1985.**

**Cross-References**

Administration of loans, 90-2-110.

**90-2-108. Terms of loans.** (1) The board of natural resources and conservation shall make no renewable resource development loan which exceeds the lesser of $100,000 or 80% of the fair market value of the security given therefor. In determining the fair market value for the security given for any loan, the department of natural resources and conservation shall consider appraisals made by qualified appraisers and such other factors it considers important.

(2) The period for repayment of loans pursuant to this part may not exceed 30 years.

(3) The board shall from time to time establish by rule the interest rate at which loans may be made under this part, provided that in no case may the rate be greater than one percentage point greater than the prevailing interest rate on the renewable resource development bonds provided for in this part.

(4) The board may adopt rules as required to govern the terms and conditions for making loans, security instruments, and agreements pursuant to this part.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(4) thru (6), (8).**

**Cross-References**

Bond Validating Act, Title 17, ch. 5, part 2.

General validity of security agreement, 30-9-201.

Legal interest, 31-1-106.

**90-2-109. Effect of loan — lien.** The state shall have a lien upon a project constructed with money from the renewable resource development account for the amount of the loan, together with the interest thereon. This lien may attach to all project facilities, equipment, easements, real property, and property of any kind or nature owned by the debtor, including all water rights. The board shall file either a financing statement or a real estate mortgage covering the loan, its amount, terms, and a description of the project with the county recorder of each county in which the project or any part thereof is located. The county recorder shall record the lien in a book kept for the recording of liens and it shall be indexed as other liens are required by law to be indexed. The lien shall be valid until paid in full or otherwise discharged. The lien shall be foreclosed in accordance with applicable state law governing foreclosure of mortgages and liens.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(7).**

**Cross-References**

Mortgage foreclosure, 71-1-222.

Lien foreclosure, 71-3-117, 71-3-124.

Provisions for security of bondholders, 90-5-105.

**90-2-110. Administration of loans.** The department of natural resources and conservation shall administer the loans made by the board pursuant to this part and may accept and utilize voluntary and uncompensated services and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the federal government or of any agency of Montana government or of any political subdivision within Montana.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(10).**

**Cross-References**

Interlocal cooperation agreements, Title 7, ch. 11.

State and local renewable resource development loans, 90-2-107.

**90-2-111. Grants to state and local government.** (1) The department of natural resources and conservation may recommend to the governor that grants from the renewable resource development account provided for by this part be made to any department, agency, board, commission, or other division of state government or to any political subdivision of state government.

(2) The department shall solicit and consider in its evaluation of proposed projects the views of interested and affected departments, boards, agencies, and other subdivisions of state and federal government and of other interested and affected persons.

(3) The governor shall submit those grant proposals having his approval to the legislature by the 20th day of any legislative session. Those grant proposals approved by the legislature shall be administered by the department.

(4) The grants provided for by this section may be made for the purchase, lease, or construction of projects for the conservation, management, utilization, development, or preservation of the land, vegetation, fish, wildlife, recreational, and other renewable resources in the state; for the purpose of feasibility and design studies for such projects; for development of plans for the rehabilitation, expansion, or modification of existing projects; and for such other and further similar purposes as the legislature may approve.

(5) In recommending grants under this section, the department and the governor shall consider the special requirements and benefits of proposals

that provide for the long-term compilation and management of information on the natural resources of Montana. These proposals contribute to the efficient management of renewable resources, benefit a variety of public and private users, and require a continuing commitment of resources to maintain currency and utility. In consequence of these values and conditions, projects providing for the long-term compilation and management of natural resource information may be considered for funding in consecutive funding cycles and may not be penalized for having received funds previously from the renewable resource development program.

(6) The department may adopt rules as required to govern the terms and conditions for making grants pursuant to this section.

**History: En. 89-3604 by Sec. 4, Ch. 533, L. 1975; amd. Sec. 2, Ch. 323, L. 1977; R.C.M. 1947, 89-3604(part); amd. Sec. 48, Ch. 505, L. 1981; amd. Sec. 15, Ch. 418, L. 1987.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Cooperation of other agencies, 23-1-107.

Department to solicit views, 90-2-104.

State and local renewable resource development loans, 90-2-107.

**90-2-112. Bond proceeds not for grants.** Unless specifically authorized by the legislature, no bond proceeds may be used for the purpose of making grants. Grants may be made only from such sums as are deposited in the debt service fund from the collection of the coal severance tax as provided in 90-2-124.

**History: En. 89-3604 by Sec. 4, Ch. 533, L. 1975; amd. Sec. 2, Ch. 323, L. 1977; R.C.M. 1947, 89-3604(part); amd. Sec. 2, Ch. 51, L. 1979; amd. Sec. 47, Ch. 298, L. 1983.**

**90-2-113. Repealed.** Sec. 16, Ch. 418, L. 1987.

**History: En. Sec. 2, Ch. 413, L. 1981; amd. Sec. 8, Ch. 171, L. 1983.**

**90-2-114 through 90-2-120 reserved.**

**90-2-121. Issuing bonds.** (1) Within the limits authorized by 90-2-127 and within the further limitations in this section, the board of examiners may issue and sell bonds of the state in such manner as it considers necessary and proper to finance the renewable resource development program. The full faith and credit and taxing powers of the state shall be pledged for the prompt and full payment of all bonds so issued and interest and redemption premiums payable thereon according to their terms.

(2) Each series of such bonds shall be issued by the board of examiners upon request of the board of natural resources and conservation in such denominations and forms, whether payable to bearer with attached interest coupons or registered as to principal or as to both principal and interest, with such provisions for conversion or exchange and for the issuance of notes in anticipation of the issuance of definitive bonds, bearing interest at such rate or rates, maturing at such time or times not exceeding 30 years from date of issue, subject to optional or mandatory redemption at such earlier times and prices and upon such notice, with such provisions for payment and discharge by the deposit of funds or securities in escrow for that purpose, and payable at the office of such banking institution or institutions within or outside the state, as the board shall determine subject to the limitations contained in this section.

(3) In the issuance of each series of such bonds the interest rates and the maturities and any mandatory redemption provisions thereof shall be established in such manner that the funds then specifically pledged and appropriated by law to the debt service fund will in the judgment of the board be received in an amount sufficient in each year to pay all principal, redemption premiums, and interest due and payable in that year with respect to that and all prior series of such bonds, except outstanding bonds as to which the obligation of the state has been discharged by the deposit of funds or securities sufficient for their payment in accordance with the terms of the resolutions by which they are authorized to be issued.

(4) In all other respects the board of examiners is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment. Such bonds and any interest coupons appurtenant thereto shall be signed by the members of the board of examiners, and the bonds shall be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and sold.

(5) All proceeds of bonds issued hereunder and interest earned on such proceeds, other than refunding bonds, shall be deposited in the renewable resource development account. All proceeds of refunding bonds shall be deposited in the debt service fund and applied to the payment and redemption of outstanding bonds issued hereunder as directed by the board, whether at maturity or on any previous date on which they may be prepaid according to their terms.

**History: En. 89-3606 by Sec. 6, Ch. 533, L. 1975; amd. Sec. 4, Ch. 323, L. 1977; R.C.M. 1947, 89-3606(1) thru (5); amd. Sec. 48, Ch. 298, L. 1983; amd. Sec. 16, Ch. 512, L. 1985.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Coal severance tax bonds — water development, Title 17, ch. 5, part 7.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

Duties of Department of Agriculture, 80-1-102.

Water resources, Title 85, ch. 1.

Conservancy districts, Title 85, ch. 9.

Authorization of bonds, 90-2-127.

**90-2-122. Refunding bonds.** (1) The board of examiners is authorized to issue refunding bonds at such times and in such amounts, if any, as may be necessary to pay principal or interest due which cannot be paid from funds then on hand in the debt service fund. It may also issue refunding bonds to refund outstanding bonds before maturity for the purpose of extending the maturities thereof so far as determined by the board to be necessary to assure that the funds then pledged to the debt service fund will be sufficient for payment of principal and interest due in subsequent years. It may also issue refunding bonds to refund outstanding bonds before maturity for the purpose of reducing the interest cost or the total amount of principal and interest payable thereon.

(2) No refunding bonds may be issued and sold more than 3 months before all bonds refunded thereby mature or are called for redemption unless the proceeds thereof, with any other funds in the debt service fund which are needed and available for the purpose, or securities purchased from such proceeds and other funds, are deposited with a suitable banking institution

within or outside the state, in escrow for the retirement of the refunded bonds at maturity or at a prior date or dates on which they have been called for redemption in accordance with their terms, in an amount and in a manner sufficient under the provisions securing the refunded bonds so that the state's obligation to pay the same, from sources other than the escrow fund, is discharged.

(3) No new debt may be created by the issuance of refunding bonds in accordance with this section, but such refunding bonds shall evidence the debt previously created and shall be secured by the pledge of the full faith and credit and taxing powers of the state and by the further provisions of this part in the same manner as the bonds refunded thereby.

**History:** **En. 89-3606 by Sec. 6, Ch. 533, L. 1975; amd. Sec. 4, Ch. 323, L. 1977; R.C.M. 1947, 89-3606(6) thru (8); amd. Sec. 49, Ch. 298, L. 1983.**

**Cross-References**

Refunding bonds, Title 17, ch. 5, part 3.

**90-2-123. Debt service fund.** (1) The state may by enactment of the legislature or the people levy, impose, assess, and pledge and appropriate to the debt service fund any tax, charge, fee, rental, or other income from any designated source. The state reserves the right to modify from time to time the nature and amount of special taxes and other revenues pledged and appropriated to the debt service fund, provided that the aggregate resources so pledged and appropriated are determined by the legislature to be sufficient for the prompt and full payment of the principal of and interest and redemption premiums when due on all bonds payable from that fund, and provided that the pledge of the full faith and credit and taxing powers of the state for the security of all such bonds shall be and remain irrevocable until they are fully paid.

(2) Money in the debt service fund shall be used to pay interest, principal, and redemption premiums when due and payable with respect to renewable resource development bonds.

(3) Money at any time received in the debt service fund in excess of the amount required by subsection (2) shall be transferred by the treasurer to the renewable resource development account.

**History:** **En. 89-3607 by Sec. 7, Ch. 533, L. 1975; amd. Sec. 8, Ch. 540, L. 1977; R.C.M. 1947, 89-3607(1) thru (3); amd. Sec. 50, Ch. 298, L. 1983; amd. Sec. 17, Ch. 512, L. 1985.**

**Cross-References**

Fund structure, 17-2-102.

Appropriation of coal severance tax, 90-2-124.

**90-2-124. Appropriation of coal severance tax.** The state pledges and appropriates and directs to be credited to the debt service fund all money allocated to the renewable resource development bond fund by 15-35-108 and such additional amount thereof, if any, as may be required from time to time to provide sufficient funds for the purposes stated in 90-2-123(2).

**History:** **En. 89-3607 by Sec. 7, Ch. 533, L. 1975; amd. Sec. 8, Ch. 540, L. 1977; R.C.M. 1947, 89-3607(4); amd. Sec. 49, Ch. 505, L. 1981; amd. Sec. 51, Ch. 298, L. 1983; amd. Sec. 3, Ch. 2, L. 1987; amd. Sec. 4, Ch. 662, L. 1987.**

**Cross-References**

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Coal severance tax bonds — water development, Title 17, ch. 5, part 7.

Montana in-state investment fund, 17-6-306.

Bond proceeds not for grants, 90-2-112.

**90-2-125. Renewable resource development account.** The state may by enactment of the legislature or the people levy, impose, assess, and pledge and appropriate to the renewable resource development account any tax, charge, fee, rental, or other income from any source, including but not limited to renewable resource development bond proceeds, interest earned on the bond proceeds, and any principal and accrued interest received in repayment of a loan made from the proceeds of bonds issued under 90-2-121.

**History: En. 89-3608 by Sec. 8, Ch. 533, L. 1975; amd. Sec. 5, Ch. 323, L. 1977; R.C.M. 1947, 89-3608(1); amd. Sec. 52, Ch. 298, L. 1983; amd. Sec. 18, Ch. 512, L. 1985.**

**Cross-References**

Fund structure, 17-2-102.

Definitions, 90-2-102.

**90-2-126. Costs and expenditures.** (1) The costs of the board of examiners, the board of natural resources and conservation, and the department of natural resources and conservation incurred in the administration of this part shall be met from the renewable resource development account moneys which shall from time to time as needed be transferred to a state special revenue account established for that purpose.

(2) The board of examiners and the department of natural resources may, within the limits of appropriation made therefor, make necessary expenditures for the purchase or hire of such personnel, facilities, and services as they may from time to time find necessary for the proper administration of this part.

**History: En. 89-3608 by Sec. 8, Ch. 533, L. 1975; amd. Sec. 5, Ch. 323, L. 1977; R.C.M. 1947, 89-3608(3), (4); amd. Sec. 53, Ch. 298, L. 1983.**

**90-2-127. Authorization of bonds.** The legislature, through the enactment of this law by a two-thirds vote of the members of each house, authorizes the creation of state debt in an amount not to exceed $5 million and the issuance and sale of renewable resource development bonds in this amount for the purpose of providing funds appropriated to the renewable resource development account for developments included in the renewable resource development program.

**History: En. 89-3609 by Sec. 9, Ch. 533, L. 1975; R.C.M. 1947, 89-3609; amd. Sec. 54, Ch. 298, L. 1983.**

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

Bond issues, Title 17, ch. 5.

Issuing bonds, 90-2-121.

Refunding bonds, 90-2-122.

**90-2-128. Penalty.** No member, officer, attorney, or other employee of the board of natural resources and conservation or the department of natural resources and conservation shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this part other than such salary, fee, or other compensation as he may receive as such member, officer, attorney, or employee. Any person violating any provision of this section shall upon conviction thereof be punished by a fine of not more than $2,000 or imprisonment for not more than 2 years, or both.

**History: En. 89-3603 by Sec. 3, Ch. 533, L. 1975; R.C.M. 1947, 89-3603(9).**

**Cross-References**

Classification of offenses, 45-1-201.

"Felony" defined, 45-2-101.

Bribery in official and political matters, 45-7-101.

Compensation for past official behavior, 45-7-103.

Gifts to public servants by persons subject to their jurisdiction, 45-7-104.

**90-2-129 through 90-2-139 reserved.**

**90-2-140. Energy conservation in agriculture.** (1) The department of natural resources and conservation is authorized to make grants under its state energy conservation program, approved pursuant to 10 CFR 420.5, to conservation districts for projects that promote energy conservation in agriculture.

(2) The department of natural resources and conservation shall give public notice of opportunity for grants and the criteria to be used for the award of grants. The criteria must include but are not limited to energy savings and consistency with sound water and soil conservation practices.

**History:** **En. Sec. 6, HB 621, L. 1987.**

**90-2-141. State-owned building retrofitting.** (1) The department of natural resources and conservation is authorized, in consultation with the department of administration, to train employees in the operation and maintenance of energy saving equipment and in the implementation of energy conserving practices and to make grants to state agencies for energy efficiency analysis of state-owned buildings. The department of natural resources and conservation may also make loans to state agencies for retrofitting state-owned buildings.

(2) The department of natural resources and conservation shall consider simple payback, type of energy saved, results of similar projects, expected life of the retrofit, and use of the retrofit as a model for other buildings in making grants and loans under subsection (1).

**History:** **En. Sec. 7, HB 621, L. 1987.**

## Parts 2 through 10 reserved

## Part 11

## Reclamation and Development Grants Program

**90-2-1101. Short title.** This part may be cited as the "Reclamation and Development Grants Program Act".

**History:** **En. Sec. 1, Ch. 418, L. 1987.**

**90-2-1102. Policy and purpose.** (1) The policy of the state of Montana expressed in the Reclamation and Development Grants Program Act is to provide a state capability to fund projects that indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana.

(2) The purposes of the reclamation and development grants program are to:

(a) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction; and

(b) develop and ensure the quality of public resources for the benefit of all Montanans.

**History:** **En. Sec. 2, Ch. 418, L. 1987.**

**90-2-1103. Definitions.** As used in this part, the following definitions apply:

(1) "Board" means the board of natural resources and conservation provided for in 2-15-3302.

(2) "Department" means the department of natural resources and conservation provided for in Title 2, chapter 15, part 33.

(3) "Financially feasible" means that adequate funds are available to complete the project as approved.

(4) "Mineral" means any precious stones or gems, gold, silver, copper, coal, lead, petroleum, natural gas, oil, uranium, or other nonrenewable merchantable products extracted from the surface or subsurface of the state of Montana.

(5) "Mineral development" means exploration, extraction, processing, or other activity related to the production of a mineral.

(6) "Mitigation" means the act of rectifying an impact by repairing, rehabilitating, or restoring the affected environment; reducing or eliminating an impact over time by operations that preserve or maintain the environment; or compensating for an impact by replacing or providing substitute resources or habitats.

(7) "Project" means a planned and coordinated action or series of actions addressing an objective consistent with the policy and purpose of the reclamation and development grants program. A project may consist of problem analysis, feasibility or design studies, environmental monitoring, remedial action plans or implementation, technology demonstration, research, construction or acquisition of capital facilities, or other related actions.

(8) "Public benefits" means those benefits that accrue to citizens as a group and enhance the common well-being of the people of Montana.

(9) "Public resources" means the natural resources of the state, including air, water, soil, minerals, vegetation, and fish and wildlife, and the economic, social, and cultural conditions of Montana citizens.

(10) "Reclamation and development grants account" means the reclamation and development grants special revenue account established in 90-2-1104.

(11) "Technically feasible" means that a project or activity can be designed, constructed, operated, or carried out to accomplish its objectives, utilizing accepted engineering and other technical principles and concepts.

**History:** **En. Sec. 3, Ch. 418, L. 1987.**

**90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and development grants special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the reclamation and development grants account money allocated from the interest income of the resource indemnity trust fund under the provisions of 15-38-202.

(3) Appropriations may be made from the reclamation and development grants account for the following purposes:

(a) grants for designated projects; and

(b) administrative expenses, including the salaries and expenses of personnel, equipment, office space, and other expenses necessarily incurred in the administration of the grants program. These expenses may be funded prior to funding of projects.

**History:** **En. Sec. 4, Ch. 418, L. 1987.**

**90-2-1105. Adoption of rules.** The board may adopt rules to:

(1) prescribe the form and content of applications for grants;

(2) describe the terms and conditions of making grants;

(3) prescribe a monitoring program to evaluate the effectiveness of funded projects; and

(4) develop any other procedures necessary to accomplish the objectives of the reclamation and development grants program.

**History:** **En. Sec. 9, Ch. 418, L. 1987.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**90-2-1106 through 90-2-1110 reserved.**

**90-2-1111. State and local grants.** (1) Any department, agency, board, commission, or other division of state government or any city, county, or other political subdivision or tribal government within the state may apply, in accordance with the procedures established by the department, for a grant from the reclamation and development grants account for a project that is consistent with the policy and purpose of the reclamation and development grants program.

(2) The department shall evaluate applications under the eligibility criteria provided in 90-2-1112 and the evaluation criteria provided in 90-2-1113.

(3) The department shall solicit and consider in its evaluation of applications the views of interested persons and public agencies.

(4) Based on its evaluation of eligible applications, the department shall recommend to the governor projects to receive grants from the reclamation and development grants account.

(5) The governor shall submit all proposals, with his recommended priorities, to the legislature by the first day of any regular legislative session. The legislature may approve by appropriation or other appropriate means grants for those projects it finds consistent with the policies and purposes of the reclamation and development grants program. The department shall administer and oversee the grants to approved projects and monitor the projects.

**History:** **En. Sec. 5, Ch. 418, L. 1987.**

**90-2-1112. Eligibility requirements.** (1) Except as provided under subsection (2), to be eligible for funding under the reclamation and development grants program, the proposed project must provide benefits in one or more of the following categories:

(a) reclamation of land, water, or other resources adversely affected by mineral development;

(b) mitigation of damage to public resources caused by mineral development;

(c) research, demonstration, or technical assistance to promote the wise use of Montana minerals, including efforts to make processing more environmentally compatible;

(d) investigation and remediation of sites where hazardous wastes or regulated substances threaten public health or the environment; and

(e) research to assess existing or potential environmental damage resulting from mineral development.

(2) If sufficient eligible and qualified applications satisfying the mineral development objectives provided for in subsection (1) are not received or if there is a crucial state need, the department may evaluate and the governor may recommend that the legislature approve funding for projects that:

(a) enhance Montana's economy through the development of natural resources; or

(b) develop, promote, protect, or further Montana's total environment and public interest, including the general health, safety, welfare, and public resources of Montana citizens and communities.

(3) To be eligible for funding under the reclamation and development grants program, a project must:

(a) be technically and financially feasible;

(b) be the best cost-effective alternative to address a problem or attain an objective;

(c) comply with statutory and regulatory standards protecting environmental quality; and

(d) be from an applicant able and willing to enter into a contract with the department for the implementation of the proposed project or activity.

(4) A project is not eligible for funding under the reclamation and development grants program to the extent that the project is eligible for and can reasonably be expected to receive funding from other state or federal reclamation programs or any other program or act that provides funding to accomplish remedial action for environmental damage or if the project is permitted under Title 82, chapter 4 or 11.

(5) A proposed project is not eligible for funding under the reclamation and development grants program if there is a liable party who would be relieved of financial or legal responsibility and who can reasonably be expected to be held responsible.

**History:** **En. Sec. 6, Ch. 418, L. 1987.**

**90-2-1113. Evaluation criteria.** The department shall consider the following criteria in evaluating eligible applications and in selecting projects to be recommended to the governor for funding:

(1) the degree to which the project will provide benefits in its eligibility category or categories;

(2) the degree to which the project will provide public benefits;

(3) the degree to which the project will promote, enhance, or advance the policies and purposes of the reclamation and development grants program;

(4) the degree to which the project will provide for the conservation of natural resources;

(5) the degree of need and urgency for the project;

(6) the extent to which the project sponsor or local entity is contributing to the costs of the project or is generating additional nonstate funds;

(7) the degree to which jobs are created for persons who need job training, receive public assistance, or are chronically unemployed; and

(8) any other criteria the department considers necessary to carry out the policies and purposes of the reclamation and development grants program.

**History:** **En. Sec. 7, Ch. 418, L. 1987.**

**90-2-1114. Conditions of grants.** Disbursement of grant funds under this part is subject to the following conditions which must be met by project sponsors:

(1) A scope of work and budget for the project must be approved by the department. Reduction in the scope of work or budget may not affect priority activities or improvements.

(2) Other funds required for project completion must have been committed and the commitment must be documented.

(3) An agreement between the department and the grant applicant must be executed in a timely manner, taking into consideration any changed conditions or circumstances that govern the administration and disbursement of funds.

(4) Any other specific requirements must be accomplished as considered necessary by the department to accomplish the purpose of the grant as evidenced from the application to the department or the proposal to the legislature.

(5) State funding for a project under this part is not intended to relieve a liable party from financial or legal responsibility.

**History:** **En. Sec. 8, Ch. 418, L. 1987.**

**90-2-1115 through 90-2-1120 reserved.**

**90-2-1121. Prohibited compensation to public officers or employees — penalty.** (1) No member, officer, attorney, or other employee of the board or the department may directly or indirectly be the beneficiary of or receive any fee, commission, gift, or other consideration in connection with any transaction or business under the reclamation and development grants program other than the salary, fee, or other compensation that he may receive as a member, officer, attorney, or employee.

(2) A person convicted of violating any provision of this section shall be punished by a fine not to exceed $2,000 plus the value of any consideration illegally received or by imprisonment for a term not to exceed 2 years, or both. Any fines collected under this section must be deposited in the reclamation and development grants account.

**History:** **En. Sec. 10, Ch. 418, L. 1987.**

**Cross-References**

Public employees and officers — standards of conduct, Title 2, ch. 2.

Definitions — felony, misdemeanor, 45-2-101.

General requirements of criminal act and mental state, 45-2-103.

Absolute liability, 45-2-104.

Official misconduct, 45-7-401.

# CHAPTER 3

# MONTANA SCIENCE AND TECHNOLOGY FINANCING ACT

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90-3-503. Seed capital project — goals.
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90-3-505. Research and development project — goals.
90-3-506. Specific criteria for research and development project loans.
90-3-507 through 90-3-520 reserved.
90-3-521. Science and technology development project loans — board action.
90-3-522. Science and technology development project loan agreement.
90-3-523. Seed capital project loan agreement — specific requirements — payback.
90-3-524. Research and development project loan agreement — specific requirements — payback.
90-3-525. Deposit of payback — seed capital and research and development project loans.

### Parts 6 through 8 reserved

### Part 9 — Medical Research Facility Projects

90-3-901. Medical research facility projects account — allocation of funds — goals and criteria — rulemaking.

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**Chapter Cross-References**

State census and economic information center, 90-1-109.

Energy development and conservation, Title 90, ch. 4.

## Part 1

## General Provisions

**90-3-101. Short title — findings — purpose.** (1) This chapter may be cited as the "Montana Science and Technology Financing Act".

(2) The legislature finds and declares that:

(a) it is the policy of the state of Montana to promote the health, safety, and general welfare of all the people of the state;

(b) this policy will be furthered through strengthening and diversifying the state's economy by facilitating a public sector-private sector partnership to encourage scientific and technological development within the state in order to keep pace with a changing economic structure and to create new jobs and expand business opportunities;

(c) this strengthening and diversification will be fostered by assisting in the acceleration of development of technology in the state through participation with the private sector in the financing of science and technology development projects that have significant potential for commercialization in Montana;

(d) the in-state investment fund created through adoption of Initiative Measure No. 95 by the voters of Montana in 1982 is the appropriate source for providing financing programs for the development of new and expanding businesses in Montana;

(e) the Science and Technology Development Board Seed Capital Bond Act contained provisions that were found to be unconstitutional by the Montana supreme court, and the 51st legislature of the state of Montana must remedy those defects through legislation; and

(f) the Montana science and technology development board has demonstrated success in forging a partnership among the private sector, the university community, and government, and this success should be continued through an ongoing legislative commitment to the board's programs.

(3) The purposes of this chapter are to:

(a) strengthen and diversify Montana's economy by establishing a public-private sector partnership to encourage scientific and technological development within the state in order to keep pace with a transforming economic structure and to create new jobs and expand small business opportunities;

(b) provide a funding source for the board to make seed capital project loans;

(c) provide a mechanism for the board to use in making seed capital project loans; and

(d) provide a mechanism for the board to use in making research and development project loans, the funding source of which will be provided by separate legislation.

**History: (3)(a)En. Sec. 1, Ch. 701, L. 1985; amd. Sec. 81, Ch. 83, L. 1989; amd. Sec. 6, Ch. 626, L. 1989; (1)En. Sec. 1, Ch. 316, L. 1989; (2), (3)(b) thru (3)(d)En. Sec. 2, Ch. 316, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapters 83 and 626 deleted former (2) that read: "(2) Because the alternative energy and energy conservation research development and demonstration program, administered by the department of natural resources and conservation, which presently receives 4 ½% of the coal severance taxes allocated pursuant to 15-35-108, would overlap and supplement the program created by this chapter and because the alternative energy and energy conservation research development and demonstration account has a carryover from the 1985 biennium and the department of natural resources and conservation is not presently planning to utilize the entire allocated amount it will receive during the 1987 biennium, this chapter contemplates a temporary, one-time appropriation of a portion of the allocation to the alternative energy and energy conservation research development and demonstration account for funding the science and technology research program of the Montana science and technology development board created in this chapter. The use of funds appropriated from the alternative energy and energy conservation research development and demonstration account established by 90-4-103 for the purposes of this chapter for the 1987 biennium is specifically authorized." Amendment effective July 1, 1989.

Chapter 316 enacted (1), the short title; enacted (2), the findings and declarations; and enacted (3)(b) through (3)(d) relating to funding source, a mechanism for making seed capital project loans, and a mechanism for making research and development project loans. The provisions were codified together in order to maintain the integrity of the arrangement of Title 90, ch. 3.

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that 90-3-101(1), (2), and (3)(b) through (3)(d) are effective March 24, 1989.

**Cross-References**

Alternative energy and energy conservation research development and demonstration account established, 90-4-103.

**90-3-102. Definitions.** As used in this chapter the following definitions apply:

(1) "Act" means the Montana science and technology financing act.

(2) "Board" means the Montana board of science and technology development provided for in 2-15-1818.

(3) "Company" means a firm, partnership, corporation, association, or any other entity authorized to conduct business in Montana.

(4) "Convertible debenture" means a debenture convertible into stock under certain conditions by any individual or company. The debenture may not be converted by the board.

(5) "Debenture" or "note" means a writing or certificate issued as evidence of debt.

(6) "Department" means the department of commerce created in 2-15-1801.

(7) "Expansion capital project" means a science and technology development project undertaken to enable a company to expand its manufacturing and marketing activities in order to move its products or services into new markets or to expand existing markets.

(8) "Innovative technology" means the involvement of a product or process that embodies the use of implements, machinery, equipment, chemical formulations, resources, materials, methods, or other items in a manner that departs from previous commercial developments, practices, or applications.

(9) "Matching funds" means the funds received in cash by the science and technology development project loan recipient from nonstate-appropriated sources and committed by the loan recipient to the project in an amount that is at least equal to the funds loaned to the recipient by the board for use in the science and technology development project.

(10) "Portfolio company" means a startup or expansion stage company that has received a seed capital project loan from the board.

(11) "Private sector" means any entity or individual, not principally a part of or associated with a governmental unit, that is associated with or involved in commercial activity.

(12) "Research and development project" means a science and technology development project that falls into the category of research capability development, applied technology research, or technology transfer and assistance.

(13) "Research and development project loan" means a science and technology development project loan entered into between the board and a loan recipient for a research and development project.

(14) "Science and technology development project" means either a seed capital project or research and development project designed to discover, develop, transfer, utilize, or commercialize existing or new, innovative technology in order to strengthen and enhance economic development in Montana.

(15) "Science and technology development project loan agreement" or "loan" means an agreement entered into between the board and the loan recipient of a seed capital project loan or a research and development project loan that:

(a) creates a debt relationship between the parties;

(b) provides for a financial return to the board;

(c) provides economic development potential to the state; and

(d) contains the applicable provisions and terms required by this chapter.

(16) "Seed capital project" means a startup capital project or expansion capital project.

(17) "Seed capital project loan" means a science and technology development project loan entered into between the board and a loan recipient for a seed capital project.

(18) "Startup capital project" means a science and technology development project that assists a company in initiating commercial operations.

(19) "State" means the state of Montana.

(20) "Warrant" means an instrument issued by a corporation that gives a holder other than the board the right to purchase stock of a corporation either for a limited time or perpetually.

**History: En. Sec. 2, Ch. 701, L. 1985; amd. Sec. 17, Ch. 316, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted definitions of act, company, convertible debenture, debenture or note, expansion capital project, innovative technology, matching funds, portfolio company, research and development project, research and development project loan, science and technology development project loan agreement, seed capital project, seed capital project loan, startup capital project, state, and warrant; substituted definition of Board as the Montana Board of Science and Technology Development provided for in 2-15-1818 for the Montana Science and Technology Development Board provided for in 2-15-1810; substituted the term "Science and technology development project" for "Technology development project", substituted "either a seed capital project or research and development project" for "an activity", and inserted "innovative"; and deleted definitions of business and industry and technology investment. Amendment effective March 24, 1989.

**90-3-103. Repealed.** Sec. 24, Ch. 316, L. 1989.

**History: En. Sec. 11, Ch. 701, L. 1985.**

## Part 2

## Science and Technology Development Board

**90-3-201. Organization.** In addition to the chairmanship, the board may establish other offices and select board members to fill these offices.

**History: En. Sec. 5, Ch. 701, L. 1985.**

**90-3-202. Meetings.** The board shall meet quarterly and at other times to be determined by the chairman or a majority of the board, subject to the availability of funds.

**History:** **En. Sec. 4, Ch. 701, L. 1985.**

**90-3-203. Powers and duties of board.** The board shall:

(1) make loans in science and technology development projects pursuant to the provisions of this act in the following areas that have potential to stimulate economic development in Montana:

(a) research capability development;

(b) applied technology research;

(c) technology transfer and assistance; and

(d) startup capital or expansion capital projects for development and commercialization of innovative products and processes;

(2) accept grants or receive devises of money or property to be used in Montana for loans made pursuant to this chapter; and

(3) submit to the governor and the legislature a report describing the board's programs and accomplishments by January 1 of each odd-numbered year or at the request of the governor.

**History:** **En. Sec. 6, Ch. 701, L. 1985; amd. Sec. 22, Ch. 461, L. 1987; amd. Sec. 18, Ch. 316, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1) and (2) that read: "(1) establish policies and priorities that will expand and develop the use of science and technology for economic development in Montana;

(2) provide technical assistance for the transfer of technology to Montana businesses in order to encourage the use of new technology by Montana business and industry"; in introductory clause of (1) substituted "make loans in science and technology development projects pursuant to the provisions of this act in the following areas that have potential" for "make technology investments in technology development projects in the following areas that have short- or long-term potential"; in (1)(b) substituted "technology" for "technological"; in (1)(d) substituted "startup capital or expansion capital projects" for "seed capital awards" and substituted "innovative" for "new"; in (2) substituted "loans made pursuant to" for "investments described in"; in (3) changed date to January 1 of each odd-numbered year from November 1 of each even-numbered year; deleted former (6) and (7) that read: "(6) adopt rules necessary to implement the provisions of this chapter, including but not limited to rules:

(a) governing the conduct of board business;

(b) establishing matching fund requirements for capability, basic research, and seed capital investment programs;

(c) establishing criteria for determining the eligibility of projects and programs for technology investments;

(d) establishing methods of committing funds, types and amounts of fees, and types of research investments to be made; and

(7) adopt specific goals and objectives for each program administered by the board"; and made minor changes in phraseology. Amendment effective March 24, 1989.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**90-3-204. Rulemaking authority.** The board shall adopt rules necessary to implement the provisions of this chapter, including but not limited to rules:

(1) governing the conduct of board business;

(2) establishing application procedures that, at a minimum, require the submittal of:

(a) an executive summary for a science and technology development project loan;

(b) a business plan for a seed capital project loan;

(c) a research and development project proposal for a research and development project loan; and

(d) other documents necessary to meet the criteria established in this chapter;

(3) establishing the procedures to be followed by the board in its review process prior to making a science and technology development project loan; and

(4) establishing postdisbursement activities that describe the ongoing involvement or follow-along management of the board that may be required in a science and technology development project loan agreement.

**History: En. Sec. 3, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

## Part 3

## Investments — Appropriations

**90-3-301. Appropriation authority and funding — matching funds.** (1) The board has authority to accept and expend all funds received by it as grants, donations, or other private or public income. These funds are statutorily appropriated as provided in 17-7-502.

(2) The appropriations and loans made to and by the board are in addition to and separate from general fund appropriations to the university system and other state agencies.

(3) A loan may not be made for a project for which matching funds have not been received. Matching funds are required prior to any expenditure of board funds for research and development projects or seed capital projects. The board may accept as matching funds those received by the loan recipient within 1 year prior to the execution of the loan agreement. The board may require additional matching funds, depending on the capital need and the degree of risk encountered in the science and technology development project.

**History: En. Sec. 8, Ch. 701, L. 1985; amd. Sec. 19, Ch. 316, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) deleted last sentence that read: "No award may be made for activities for which matching funds or participation of financial intermediaries is required until such funds have been committed"; deleted former (2) that read: "(2) Dollar-for-dollar matching funds are required prior to any expenditure of state funds for research capability development, applied technological research, or seed capital awards or investments provided for in 90-3-203"; in (2) substituted "loans" for "investments"; and inserted (3) relating to matching fund requirements. Amendment effective March 24, 1989.

**90-3-302. Repealed.** Sec. 24, Ch. 316, L. 1989.

**History: En. Sec. 9, Ch. 701, L. 1985; amd. Sec. 23, Ch. 461, L. 1987.**

**90-3-303. Investments to board members prohibited.** (1) Board members may not personally apply for or receive board funds, except as provided in 2-15-124. If an organization with which a member is affiliated applies for board funds, the member must disclose the nature of the affiliation and may not participate in the decisionmaking process of the board regarding the application.

(2) The provisions of 2-2-201 do not apply to board members.

**History:** **En. Sec. 7, Ch. 701, L. 1985.**

**90-3-304. Accountability — audits.** The board's books and records must be audited by or at the direction of the legislative auditor. The legislative auditor shall conduct a performance audit of the board's goals, objectives, and statutory duties prior to the 52nd legislative session and at times determined necessary by the legislative audit committee. The actual costs of audits must be paid from the board's funds.

**History:** **En. Sec. 10, Ch. 701, L. 1985; amd. Sec. 24, Ch. 461, L. 1987; amd. Sec. 20, Ch. 316, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1) and (2) that read: "(1) The board shall develop independent review and audit procedures to ensure that investments made by it are used for the purposes identified in its investment agreements.

(2) The board's technology investment agreements must contain provisions considered necessary by the board to ensure the proper inspection and review of projects, the attainment of project goals, and the maintenance of adequate financial records by recipients of board funds"; substituted "52nd legislative session" for "51st legislative session"; and made minor changes in grammar. Amendment effective March 24, 1989.

**Cross-References**

Legislative Auditor — powers and duties, 5-13-304.

**90-3-305. Science and technology development account.** (1) There is a science and technology development account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the science and technology development account:

(a) the payback of principal and earnings on a research and development project loan executed under this chapter; and

(b) all payback of principal and earnings to the board from any agreements executed by the board between July 1, 1985, and March 31, 1989.

**History:** **En. Sec. 15, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

## Part 4

## Science and Technology Development Seed Capital Fund Bonds (Repealed. Sec. 24, Ch. 316, L. 1989)

**Part Compiler's Comments**

*Histories of Repealed Sections:*

**90-3-401 through 90-3-420.** En. Sec. 1 through 20, Ch. 461, L. 1987.

## Part 5

## Science and Technology Development Project Loan Program

**90-3-501. Science and technology development project — priorities.** (1) The board shall make a loan for a science and technology development project if it determines that the project has potential to stimulate economic development in this state and meets the loan criteria established in this chapter.

(2) The board shall give priority to project proposals that it determines incorporate innovative technologies and involve, but are not limited to, one or more of the following target technologies:

(a) mineral technology;
(b) agricultural technology;
(c) forestry technology;
(d) energy technology;
(e) materials sciences;
(f) information sciences;
(g) biotechnology;
(h) microelectronics and computer sciences; or
(i) hazardous waste treatment and disposal.

**History: En. Sec. 4, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-502. General criteria underlying science and technology development project loan program.** The board may make a science and technology development project loan only upon a favorable determination that the proposed project:

(1) is consistent with the findings and purposes of this chapter because it incorporates innovative technology;

(2) has prospects for collaboration between the public and private sectors of the state's economy;

(3) has prospects for achieving commercial success and for creating new jobs in the state;

(4) has potential for commercial success related to the specific product or business development methodology proposed;

(5) can provide matching funds to the project as required under 90-3-301; and

(6) has a management structure that allows ongoing postdisbursement involvement by the board.

**History: En. Sec. 5, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-503. Seed capital project — goals.** (1) The board may make a seed capital project loan in a company upon a determination by the board that the project meets the loan criteria established in 90-3-502 and 90-3-504 and that the project meets the goals established in subsection (2) and involves the development and commercialization of innovative products or processes.

(2) The goals in making a seed capital project loan are:

(a) to assist the development of innovative technology in the state by providing a source of capital to the technology-based entrepreneurial sector in the state's economy;

(b) to provide financing and follow-along management support for entrepreneurial companies in the state that are attempting to develop products or processes based on innovative technologies; and

(c) to provide a liaison between entrepreneurial companies in the state and other investors in an effort to enhance the pool of capital available to technology-based companies in the state.

**History: En. Sec. 6, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-504. Specific criteria for seed capital project loans.** The board may make a seed capital project loan only if it determines that the proposed project complies with the criteria and goals set forth in 90-3-502 and 90-3-503 and the board further determines that:

(1) the project develops or employs innovative technology to produce a product or process that promises a significant competitive advantage;

(2) the project provides an opportunity to preserve the principal of the loan amount and earn a monetary return;

(3) the project has potential to realize substantial growth in sales and a sales revenue level that provides the capacity to meet the board's payback requirements;

(4) the company is located or preparing to locate within the state;

(5) the project demonstrates a capacity to diversify or add value to the state's basic industries;

(6) the company's management team possesses sufficient business experience to enable the company to reach its commercial potential;

(7) the company has a strong potential for creating and retaining jobs and stimulating tax revenue growth in the state;

(8) the company's product or process is targeted for a sizeable commercial market;

(9) the company's product or process is of sufficient quality to significantly impact the target market; and

(10) the company's business plan is sufficiently designed to complete financing, marketing, and production objectives to accomplish the proposed commercialization.

**History: En. Sec. 7, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-505. Research and development project — goals.** (1) The board may make a research and development project loan upon a determination by the board that the proposed project meets the loan criteria established in 90-3-502 and 90-3-506 and that the project meets one of the goals established in subsection (2).

(2) The goals of the research and development project loan program are:

(a) to significantly upgrade existing research capabilities within the state's research and development institutions and organizations;

(b) to provide financial support to individual research projects that have significant potential to:

(i) advance technology development in the state; or

(ii) be readily commercialized upon completion of the research phase; or

(c) to facilitate the process of transferring research from the laboratory to the commercial marketplace.

(3) These goals may be accomplished by:

(a) supporting the advanced technology centers of excellence program that will institutionalize cooperative arrangements between the public sector and the private sector and significantly build on existing research and development capabilities;

(b) providing financial support for individual research and development projects that are at a preprototype or early stage but that hold significant potential for future commercial success;

(c) providing financial support for the development of advanced research capabilities within the state's university system through the acquisition of facilities, equipment, or personnel;

(d) facilitating the flow of information to technology-based entrepreneurial businesses in the state to assist those businesses in reaching their full commercial potential; or

(e) improving the information and resources available to entrepreneurs in the state who are involved in commercialization of innovative products and processes.

**History: En. Sec. 8, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-506. Specific criteria for research and development project loans.** The board may make a research and development project loan upon its determination that the proposed project complies with the criteria and goals set forth in 90-3-502 and 90-3-505 and if the board determines that:

(1) the project has the potential to diversify or add value to a basic industry of the state's economy;

(2) the project demonstrates a clear path to commercial development of the research results within the state;

(3) the project involves university system research participation whenever practical;

(4) the project employs or otherwise takes advantage of existing research and development strengths within the state's university and private research establishments;

(5) the project involves a realistic and achievable research project design;

(6) the project develops or employs an innovative technology;

(7) the project activity is located within the state; and

(8) the project's research team possesses sufficient expertise in the appropriate technology area to complete the research objectives of the project.

**History: En. Sec. 9, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

### 90-3-507 through 90-3-520 reserved.

**90-3-521. Science and technology development project loans — board action.** (1) If the board determines that a science and technology development project meets the criteria established in this chapter and has complied with the applicable procedures and review processes established by the board, the board may enter into a science and technology development project loan agreement with the loan recipient and authorize the disbursement of funds to the loan recipient.

(2) All decisions of the board are final and not subject to the contested case provisions of Title 2, chapter 4.

**History: En. Sec. 10, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-522. Science and technology development project loan agreement.** (1) The board shall enter into a science and technology development project loan agreement with a loan recipient whose product or process will be developed and commercialized as a result of a science and technology development project loan.

(2) The loan agreement, at a minimum, must contain the following provisions:

(a) the project budget;

(b) the financing, marketing, and production milestones for the project that describe project tasks to be achieved in each phase of the project at designated times;

(c) the reporting requirements, including but not limited to:

(i) quarterly financial statements;

(ii) quarterly commercialization progress reports;

(iii) annual reports; and

(iv) reports on any significant project transactions;

(d) the disbursement schedule for the loan;

(e) the payback to the board;

(f) the causes for loan revocation, suspension, or termination; and

(g) the intellectual property provisions.

**History: En. Sec. 11, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-523. Seed capital project loan agreement — specific requirements — payback.** (1) In addition to the loan agreement provisions required in 90-3-522, a seed capital project loan must be structured as contracted debt that includes but is not limited to the following terms:

(a) an interest rate set at the level that provides a return to the board, from paybacks by all of its portfolio companies, in an amount at least equal to the principal amount of the loans and that provides for a market rate of return when considering the overall benefit to the state derived from the projects;

(b) a provision in the note that may defer debt service until maturity of the note, the term of which may not exceed 8 years;

(c) a loan amount that may not exceed $350,000 in any one round of financing. Successive rounds of financing in which the board participates for any one company may not occur within a 9-month period. The total amount that may be loaned to any one company may not exceed $750,000.

(d) a provision that the note becomes due in full upon dissolution or liquidation of the company.

(2) (a) In addition to the provisions in 90-3-522 and subsection (1), a seed capital project loan agreement may provide for any of the following:

(i) a convertible debenture;

(ii) a warrant held by the board; or

(iii) a warrant held by a third party for the benefit of the board.

(b) However, the board itself may not convert the convertible debenture, exercise the warrant, or hold stock acquired upon any conversion or exercise.

**History: En. Sec. 12, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-524. Research and development project loan agreement — specific requirements — payback.** In addition to the loan agreement provisions described in 90-3-522, a research and development project loan agreement must be structured as contracted debt with the following terms:

(1) The agreement must include provisions calling for a payback of two times the original loan amount paid as a percentage of the income stream derived from the sale or other commercialization of products or processes developed with the board's financing. This percentage rate may not exceed 5%.

(2) The payback on a research and development project loan for a technology transfer and assistance project may be made pursuant to subsection (1) or may be realized in terms of indirect benefits related to the goals and criteria of the program. No more than 10% of the board's annual allocation of research and development funds may be used for technology transfer and assistance projects.

**History: En. Sec. 13, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

**90-3-525. Deposit of payback — seed capital and research and development project loans.** (1) The payback of principal and earnings on a seed capital project loan executed under this chapter must be administered pursuant to section 17-6-306.

(2) The payback of principal and earnings on a research and development project loan must be deposited to the state special revenue fund to the credit of the science and technology development account created in 90-3-305.

(3) All paybacks of principal and earnings to the board from any agreements executed by the board between July 1, 1985, and March 31, 1989, must be deposited to the state special revenue fund to the credit of the science and technology development account created in 90-3-305 for use by the board. The paybacks include all those received after January 1, 1989.

**History:** **En. Sec. 14, Ch. 316, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 27, Ch. 316, L. 1989, provided that this section is effective March 24, 1989.

## Parts 6 through 8 reserved

## Part 9

## Medical Research Facility Projects

**90-3-901. Medical research facility projects account — allocation of funds — goals and criteria — rulemaking.** (1) There is a medical research facility projects account in the state special revenue fund into which must be deposited the money appropriated in section 1, Chapter 634, Laws of 1989.

(2) Notwithstanding any provision of Title 90, chapter 3, the Montana science and technology development board may award grants of the money appropriated under section 1, Chapter 634, Laws of 1989, for the purposes described in that section.

(3) The board may award a grant to a medical research facility project if the project proposal meets the following goals:

(a) The project is designed to establish an advanced medical research facility that will be funded sufficiently to become an enduring research presence in the state.

(b) The project concentrates on fields of medical research that involve advanced technology applied to national medical concerns.

(c) The project is designed to recruit and retain in the state medical researchers of nationally recognized stature.

(4) The board, at a minimum, shall use the following criteria in awarding a medical research facility grant:

(a) State funds for construction and startup operating costs must be matched on at least a four-to-one federal-to-state matching basis with federal funds appropriated for the same purpose.

(b) The project proposal includes an effective construction and operating plan that provides a sound basis for ongoing operation of the facility.

(c) The personnel, equipment, and research operation of the facility are sufficient to earn and maintain a nationally recognized stature.

(5) The board may adopt rules to implement the purposes of section 1, Chapter 634, Laws of 1989, and this section.

**History: En. Sec. 2, Ch. 634, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 4, Ch. 634, L. 1989, provided that this section is effective July 1, 1989.

# CHAPTER 4

# ENERGY DEVELOPMENT AND CONSERVATION

## Part 1 — Renewable Energy Sources Research and Development

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### Part 5 — Residential Conservation Service

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90-4-502. Definitions.
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### Part 6 — State Building Energy Conservation Program

90-4-601. Short title.
90-4-602. Definitions.
90-4-603 and 90-4-604 reserved.
90-4-605. Preparation of energy conservation program.
90-4-606. Submission to the legislature.
90-4-607. Duties of department.
90-4-608 through 90-4-610 reserved.
90-4-611. Authority to issue energy conservation program bonds.
90-4-612. Form — principal and interest — fiscal agent — deposit of proceeds.
90-4-613. Use of energy conservation program account.

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**Chapter Cross-References**

Credit for energy-conserving investments, 15-30-125.

Credit for energy-conserving expenditures, 15-32-109.

Tax credit for installing alternative energy system, Title 15, ch. 32, part 2.

Montana Environmental Policy Act, Title 75, ch. 1.

Discharge permits for future developments, 75-5-303.

Solid waste management or material recycling, Title 75, ch. 10.

Montana Major Facility Siting Act, Title 75, ch. 20.

Geothermal resources, Title 77, ch. 4, part 1.

Power sites on state lands, 77-4-204.

Water resource development, Title 85, ch. 1.

## Part 1

## Renewable Energy Sources Research and Development

**Part Cross-References**

Energy-related and ecological tax incentives, Title 15, ch. 32.

Tax credit for installing alternative energy system, Title 15, ch. 32, part 2.

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

**90-4-101. Purpose.** The purposes of this part are to stimulate research, development, and demonstration of energy conservation and of energy sources which are harmonious with ecological stability by virtue of being renewable, thereby to lessen that reliance on nonrenewable energy sources which conflicts with the goal of long-range ecological stability and to provide for the funding and administration of such research. Furthermore it is the purpose of this part to stimulate the commercialization of alternative renewable energy and to allow the department to make loans through financial institutions in Montana for this purpose.

**History: En. 84-7407 by Sec. 1, Ch. 501, L. 1975; R.C.M. 1947, 84-7407; amd. Sec. 1, Ch. 624, L. 1979; amd. Sec. 1, Ch. 356, L. 1981; amd. Sec. 1, Ch. 98, L. 1983.**

**Cross-References**

Tax credit for installing alternative energy system, Title 15, ch. 32, part 2.

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Financial Institutions, Title 32.

Montana Environmental Policy Act, Title 75, ch. 1.

Solid waste management or material recycling, Title 75, ch. 10.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

Geothermal resources, Title 77, ch. 4, part 1.

Water resource development, Title 85, ch. 1.

**90-4-102. Definitions.** As used in this part, the following definitions apply:

(1) "Alternative renewable energy source" means a form of energy or matter, such as solar energy, wind energy, or methane from solid waste, capable of being converted into forms of energy useful to mankind, and the technology necessary to make this conversion, when the source is not exhaustible in terms of this planet and when the source or the technology are not in general commercial use.

(2) "Energy conservation" means reducing waste or dissipation of energy or reducing the amount of energy required to accomplish a given quantity of work through increases in efficiency of energy use, production, or distribution.

(3) "Person" means a natural person, corporation, partnership, or other business entity, association, trust, foundation, any educational or scientific institution, or any governmental unit.

(4) "Department" means the Montana department of natural resources and conservation.

(5) (a) "State governmental unit" means:

(i) the state;

(ii) the legislature;

(iii) any executive branch department, office, or agency;

(iv) the university system; or

(v) the supreme court or any office thereof.

(b) The term does not include:

(i) a county, incorporated city, town, or other local governmental unit or a public corporation or district created pursuant to state law; or

(ii) any other public body of the state not described in subsection (5)(a).

**History: En. 84-7408 by Sec. 2, Ch. 501, L. 1975; R.C.M. 1947, 84-7408; amd. Sec. 2, Ch. 98, L. 1983; amd. Sec. 1, Ch. 730, L. 1985.**

**90-4-103. Alternative energy and energy conservation research development and demonstration account established — allocation of funds.** (1) There is within the state special revenue fund an alternative energy and energy conservation research development and demonstration account. Money is paid into this account from repayments of grants and loans previously awarded from this account by the department of natural resources and conservation. The state treasurer shall draw warrants payable from this account upon order of the department.

(2) Each fiscal year the department shall allocate the funds appropriated from the alternative energy and energy conservation research development and demonstration account for the following:

(a) grants under 90-4-104 and 90-4-106;

(b) loans under 90-4-104 and 90-4-106;

(c) grants to state governmental units under 90-4-109;

(d) program administration; and

(e) matching federal energy programs and petroleum violation escrow account money if consistent with the purposes of this chapter.

(3) To assure that the program offers the greatest possible benefits during the fiscal year, the department may reallocate funds among the categories specified in this section based on the availability of funds or the applications it receives and the department's evaluation of the relative merits of each project.

**History: (1)En. 84-7409 by Sec. 3, Ch. 501, L. 1975; R.C.M. 1947, 84-7409; amd. Sec. 3, Ch. 98, L. 1983; amd. Sec. 1, Ch. 277, L. 1983; (2), (3)En. Sec. 4, Ch. 8, Sp. L. June 1986; amd. Secs. 2, 7, Ch. 626, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1) substituted "from repayments of grants and loans previously awarded from this account by the department of natural resources and conservation" for "under 15-35-108"; and made minor change in phraseology. Amendment effective July 1, 1989.

*Coordination — Amendment Void:* Section 8, Ch. 626, L. 1989, provided: "(1) If House Bill No. 683 is not passed and approved, [section 3(2) of this act] is void.

(2) If House Bill No. 683 is passed and approved, the language in [section 2 of this act] [90-4-103] that provides, "and by the department of commerce through the science and technology research program of the Montana science and technology board under 90-3-101 as it read before [the effective date of this act]", is void." House Bill No. 683 was approved March 24, 1989; therefore, the quoted language in subsection (2) was void.

**Cross-References**

Fund structure, 17-2-102.

**90-4-104. General powers of department.** The department may:

(1) employ a staff adequate to administer this part;

(2) retain professional consultants and advisors;

(3) adopt rules governing applications, granting, administration, and repayment of funds;

(4) adopt rules governing applications for and administration and awarding of loans;

(5) adopt rules governing the application for and administration and awarding of grants to state governmental units under 90-4-109;

(6) adopt rules governing the repayment of grants to state governmental units and the reduction of agency budgets under 90-4-109;

(7) consider applications and award grants or loans, subject to the availability of funds and to the appropriation of such funds by the legislature, from the alternative energy and energy conservation research development and demonstration funds for projects that will further the purposes of this part;

(8) appoint an alternative energy advisory committee composed of representatives of state agencies and citizen members with expertise in alternative energy and energy conservation matters. The appointment of any such advisory committee shall be in keeping with 2-15-122.

**History: En. 84-7410 by Sec. 5, Ch. 501, L. 1975; R.C.M. 1947, 84-7410; amd. Sec. 2, Ch. 356, L. 1981; amd. Sec. 4, Ch. 98, L. 1983; amd. Sec. 2, Ch. 730, L. 1985; amd. Sec. 1, Ch. 8, Sp. L. June 1986.**

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**90-4-105. Applications for grants or loans.** Any person may apply for a grant to enable him to research, develop, or demonstrate energy conservation or alternative renewable energy sources. Any person may apply for a loan to commercialize alternative renewable energy sources. The department shall prescribe the form for applications. Applicants shall describe the nature of their proposed investigations, including practical applications of the possible results and time requirements.

**History: En. 84-7411 by Sec. 6, Ch. 501, L. 1975; R.C.M. 1947, 84-7411; amd. Sec. 3, Ch. 356, L. 1981; amd. Sec. 5, Ch. 98, L. 1983.**

**Cross-References**

General powers of Department, 90-4-104.

**90-4-106. Criteria for grant or loan awards.** The department may award grants or loans to applicants under 90-4-105 in accordance with the following criteria:

(1) A grant may cover a period exceeding 1 year, provided that all funds for the grant must be encumbered or accrued from the program appropriation for the year the grant is authorized.

(2) The department may give preference to projects which are also supported by funding from the federal government or other persons, provided the projects are consistent with the other objectives of the department. The purpose of this preference is to use the alternative energy and energy conservation research development and demonstration account for matching moneys in order to support more substantial research or commercialization.

(3) The department may give preference to research centers unattached to existing educational institutions where several investigators can share supporting services. However, this shall not be interpreted to prohibit the department from awarding grants or loans to existing educational institutions.

(4) The department may give preference to research centers which make information available to individuals, small businesses, and small communities seeking the use of renewable energy sources and energy conservation in their homes, plants, places of business, and small communities.

(5) All information resulting from such research shall be made available to the public.

(6) The department may expend or commit available alternative energy and energy conservation research development and demonstration funds. The department may commit funds for demonstration purposes only when in its judgment such expenditures or commitments have good potential for producing savings of nonrenewable energy sources. The department may not commit funds for demonstration purposes when any of the following conditions are present:

(a) previous commitments of a similar nature were not productive;

(b) a similar demonstration has been conducted within close geographic proximity of the geographic location of the proposed demonstration project, other than a project proposed for funding under 90-4-109;

(c) the proposed demonstration project would not further the purpose of this part.

**History:** En. 84-7412 by Sec. 7, Ch. 501, L. 1975; R.C.M. 1947, 84-7412; amd. Sec. 4, Ch. 356, L. 1981; amd. Sec. 1, Ch. 402, L. 1981; amd. Sec. 6, Ch. 98, L. 1983; amd. Sec. 3, Ch. 730, L. 1985.

**Cross-References**

Research programs for Montana University System, 20-25-108.

### 90-4-107. Renumbered 90-4-111 by Code Commissioner, 1985.

### 90-4-108. Renumbered 90-4-112 by Code Commissioner, 1985.

**90-4-109. State governmental unit grants.** (1) (a) The department may award grants from the alternative energy and energy conservation research development and demonstration account to state governmental units. These grants must be used to further the purposes of this part by providing money for state governmental units for energy conservation measures.

(b) State governmental units must apply to the department for grants.

(c) The department shall prescribe the form for applications and develop criteria for awarding grants under this section, including provisions requiring matching funds or repayment of grant funds to the alternative energy and energy conservation research development and demonstration account.

(d) Each agency awarded a grant shall either repay the grant or reduce its budget commensurate with the documented energy savings resulting from the grant.

(2) All grants awarded under this section must be administered by the department of administration according to Title 18, chapter 2.

**History:** En. Sec. 4, Ch. 730, L. 1985; amd. Sec. 2, Ch. 8, Sp. L. June 1986.

### 90-4-110 reserved.

**90-4-111. Biennial report.** The department shall monitor the grants awarded under 90-4-106 and 90-4-109 and shall report its expenditures and other information concerning the implementation and effectiveness of specific projects or programs for which grants were awarded under this part to the legislature at the beginning of each regular legislative session.

**History:** En. 84-7413 by Sec. 8, Ch. 501, L 1975; R.C.M. 1935, 84-7413; amd. Sec. 2, Ch. 402, L. 1981; Sec. 90-4-107, MCA 1983; redes. 90-4-111 by Code Commissioner, 1985; amd. Sec. 3, Ch. 8, Sp. L. June 1986.

**90-4-112. Oversight function of environmental quality council.** The department shall submit periodic reports to the environmental quality council established in 5-16-101 for review and evaluation. The environmental quality council shall make such recommendations as it considers necessary to assure the greatest possible benefit of the program to the people of the state as a whole. Such recommendations may include proposals for legislation.

**History:** En. Sec. 3, Ch. 402, L. 1981; Sec. 90-4-108, MCA 1983; redes. 90-4-112 by Code Commissioner, 1985.

## Part 2

## Home Weatherization Programs

**Part Cross-References**

Authorization for counties to furnish assistance in the rehabilitation of private dwellings, 7-15-2120.

Authorization for municipalities to furnish assistance in the rehabilitation of private dwellings, 7-15-4103.

Taxation — energy-related incentives — credits and deductions, Title 15, ch. 32.

**90-4-201. Weatherization money sources — consolidation.** (1) All federal funds and grants available and becoming eligible to Montana under the provisions of the U.S. department of energy low-income weatherization assistance program, the U.S. department of health and human services low-income home energy assistance program, and any other federal funds intended to increase the energy efficiency of dwellings occupied by persons of low and fixed incomes, except for Title XX of the Social Security Act, are to be coordinated and are appropriated to the department of social and rehabilitation services.

(2) The department of social and rehabilitation services shall allocate and spend for home weatherization programs under this part at least 5% of the funds received from the U.S. department of health and human services low-income home energy assistance program if federal law permits this allocation.

**History: En. 35-601 by Sec. 2, Ch. 583, L. 1977; R.C.M. 1947, 35-601; amd. Sec. 9, Ch. 274, L. 1981; amd. Sec. 1, Ch. 390, L. 1985.**

**Cross-References**

Taxation — energy-related incentives, Title 15, ch. 32.

**90-4-202. Allocation formula.** (1) The department of social and rehabilitation services may use not more than 5% of the total weatherization funds for administration of the weatherization program.

(2) Each of the human resource development councils or other public or nonprofit entities shall receive that fraction of the remaining money as the number of eligible households in its geographic area bears to the total number of eligible households in the state.

(3) The department of social and rehabilitation services may transfer weatherization money among the human resource development councils or other public or nonprofit entities if it finds that the money is not being expended in accordance with the terms of the agreements executed to carry out the provisions and purposes of this section and federal laws and regulations.

(4) Each of the human resource development councils or other public or nonprofit entities shall submit plans and proposed agreements to the units of local government in the district for review and comment before the agreements are approved by the department of social and rehabilitation services.

**History: En. 35-602 by Sec. 3, Ch. 583, L. 1977; R.C.M. 1947, 35-602; amd. Sec. 1, Ch. 521, L. 1979; amd. Sec. 9, Ch. 274, L. 1981; amd. Sec. 2, Ch. 390, L. 1985.**

**Cross-References**

Human resource development councils, Title 53, ch. 10, part 5.

**90-4-203. Annual allocation.** State and federal weatherization funds shall be allocated to local weatherization programs on an annual basis.
**History:** En. 35-603 by Sec. 4, Ch. 583, L. 1977; R.C.M. 1947, 35-603.

**90-4-204 through 90-4-209 reserved.**

**90-4-210. Policy.** As the result of overcharges on the sales of domestic crude oil, the federal courts have ordered or approved settlements requiring the repayment of the total amount of overcharges, plus interest, into an escrow account to be distributed by the U.S. treasury to the states, territories, and possessions of the United States. It is the policy of this state to use the oil overcharge money distributed to the state to supplement state and federal programs that the state administers in a manner consistent with federal court orders establishing or approving the payment of the funds to the state of Montana and in accordance with the precedent established by the U.S. congress in appropriating money to federal programs.
**History:** En. Sec. 1, HB 621, L. 1987.

**90-4-211. General relief recipients — hiring for projects.** The department of social and rehabilitation services shall encourage human resource development councils and other public or nonprofit entities that receive weatherization funds to hire individuals who are eligible for general relief under Title 53, chapter 3, to work in home weatherization projects, to the maximum extent possible.
**History:** En. Sec. 4(6), HB 621, L. 1987.

**90-4-212 through 90-4-214 reserved.**

**90-4-215. Account established — use.** (1) There is created an energy conservation and energy assistance account within the federal special revenue fund established in 17-2-102.

(2) The amounts deposited in the account and interest and earnings on the account are statutorily appropriated as provided in 17-7-502 to the department of social and rehabilitation services to fund its low-income energy assistance and home weatherization programs created in 90-4-201. However, the department may use the principal of the account only if the federal grants for either of those programs is reduced below the federal fiscal year 1987 level. The department may not use the principal to increase expenditures to either program above the level of the federal grant for that program for federal fiscal year 1987.
**History:** En. Sec. 3, HB 621, L. 1987.

## Part 3

## Energy Supply Emergency Powers

**Part Cross-References**
Disaster and emergency services, Title 10, ch. 3.

**90-4-301. Legislative findings and intent.** (1) The legislature finds that energy in various forms is increasingly subject to possible shortages and supply disruptions, to the point that there may be foreseen an emergency situation, and that without the ability to gather information, regularly monitor energy supplies and demand, formulate plans, and institute appropriate emergency measures to reduce or allocate the usage of energy through a program of mandatory usage curtailment or allocation, a severe impact on the health, safety, and general welfare of our state's citizens may occur. The prevention or mitigation of the effects of such energy shortages or disruptions is necessary for preservation of the public health and welfare of the citizens of this state.

(2) It is the intent of this part to:

(a) establish necessary planning, information gathering, and energy emergency powers for the governor and define the conditions under which such powers are to be exercised;

(b) provide for the regular monitoring of energy supplies and demand; however, nothing in this part may be construed to authorize the establishment of an independent state energy forecasting program; and

(c) provide penalties for violations of this part.

**History: En. Sec. 1, Ch. 473, L. 1979; amd. Sec. 1, Ch. 204, L. 1981.**

**Cross-References**

Powers and duties of Governor, 2-15-201.

**90-4-302. Definitions.** As used in this part, the following definitions apply:

(1) "Energy facility" means a facility which produces, extracts, converts, transports, or stores energy.

(2) "Energy" means petroleum or other liquid fuels, natural or synthetic fuel gas, or electricity.

(3) "Person" means an individual, partnership, joint venture, private or public corporation, cooperative, association, firm, public utility, political subdivision, municipal corporation, government agency, joint operating agency, or any other entity, public or private, however organized.

(4) "Committee" means the energy policy committee established in 90-4-303.

(5) "Distributor" means any person, private corporation, partnership, producer, individual proprietorship, public utility, joint operating agency or cooperative which engages in or is authorized to engage in the activity of generating, producing, transmitting, or distributing energy in this state.

(6) "Energy emergency" means an existing or imminent domestic, regional, or national shortage of energy which will result in curtailment of essential services or production of essential goods or the disruption of significant sectors of the economy unless action is taken to conserve or limit the use of the energy form involved and the allocation of available energy supplies among users.

(7) "Energy supply alert" means a condition of energy supply on a national, regional, state, or local basis which foreseeably will affect significantly the availability of essential energy supplies within the ensuing 90-day period unless action is taken under 90-4-309 to reduce energy usage by state agencies and political subdivisions.

(8) "Petroleum products" means propane, butane, propane/butane mix, motor gasoline, kerosene and other middle distillates, aviation gasoline, jet

fuel, number 4 fuel oil, residual fuel oil, and alcohol fuels, whether in natural or synthetic form.

(9) "Refinery" means an industrial plant, regardless of capacity, that processes fossil or renewable feedstock or manufactures refined petroleum products, except when the plant exclusively produces petrochemicals.

(10) "Refiner" means a person that owns, operates, or controls the operations of one or more refineries located in Montana.

(11) "Prime petroleum supplier" means the person who makes the first sale of a petroleum product into the state distribution system. Any person who is considered to be a Montana prime supplier by the U.S. department of energy is included in this definition.

(12) "Petroleum pipeline company" means a person who owns or operates in Montana any pipeline used for the transportation of petroleum products or their derivatives. This definition does not include pipelines used to transport crude petroleum from producing wells to refineries.

(13) "Bulk pipeline terminal" means a facility that is primarily used for storage for marketing of petroleum products and that has total bulk storage capacity of 50,000 gallons or more.

**History: En. Sec. 2, Ch. 473, L. 1979; amd. Sec. 2, Ch. 204, L. 1981.**

**90-4-303. Energy policy committee.** There is established a legislative energy policy committee which consists of eight members. The members shall consist of the president of the senate and the floor leader of the opposite party in the senate and the speaker and minority leader of the house of representatives. Each leadership member shall designate one additional member within 15 days following the close of each session.

**History: En. Sec. 3, Ch. 473, L. 1979.**

**90-4-304. Supply of vital public services during an energy supply alert and energy emergency.** The governor shall, with the advice of the committee, in developing provisions for the allocation, conservation, and consumption of energy, give due consideration to supplying vital public services such as essential governmental operations, health and safety functions, emergency services, public mass transportation systems, food production and processing facilities, and energy supply facilities during conditions of an energy supply alert or energy emergency. In developing any energy allocation programs, provisions shall be made for the equitable distribution of energy among the geographic areas of the state which are experiencing an energy shortage.

**History: En. Sec. 4, Ch. 473, L. 1979.**

**Cross-References**

Emergency resource management, Title 10, ch. 3, part 5.

**90-4-305. Information obtainable by governor.** (1) The governor may obtain information on a regular basis from energy resource producers, suppliers, public agencies, and consumers and from political subdivisions in this state necessary for him, with advice of the committee, to determine the need for energy supply alert and emergency declarations. Such information may include but is not limited to:

(a) sales volumes by customer classifications other than for petroleum products;

(b) forecasts of energy resource requirements for the particular type of energy involved for a period not to exceed 2 years; and

(c) inventory of energy resources and reserves available for use in meeting a shortage in a particular energy source.

(2) In order to help anticipate and mitigate the effects of shortages of petroleum products, the governor may monitor the supply of and demand for these products by obtaining the following monthly reports submitted no later than 20 days after the last day of the month, on forms prescribed by the governor, from the following persons:

(a) Each refiner shall submit Montana refinery processing data by fuel type in custody including:

(i) inventory stocks at the beginning and end of the month;

(ii) receipts during the month;

(iii) inputs during the month;

(iv) production during the month;

(v) shipments, losses, and refinery fuel use during the month.

(b) Each prime petroleum supplier shall submit:

(i) 3-month projections of his Montana supply and stock of petroleum products that he anticipates supplying to Montana customers; and

(ii) the actual volume of petroleum products delivered in the state the previous month.

(c) Each petroleum pipeline company shall submit reports by fuel type of Montana pipeline terminal delivery, throughput, and export.

(d) Each bulk pipeline terminal operator shall submit end-of-month reports of inventory stock levels of finished petroleum products in custody in Montana by type of product and storage location.

(e) Each prime petroleum supplier shall submit quarterly reports of his monthly marketing sales in Montana by standard point locater index, or other method prescribed by the governor, and fuel type of petroleum products designated by the governor.

(3) In obtaining information under subsections (1) and (2) of this section during a state of energy emergency, the governor may subpoena witnesses, material, and relevant books, papers, accounts, records, and memoranda; administer oaths; and cause the depositions of persons residing within or without Montana to be taken in the manner prescribed for depositions in civil actions in district courts, to obtain information relevant to energy resources that are the subject of the proclaimed emergency or associated disaster.

(4) In obtaining information under this section, the governor shall:

(a) avoid eliciting information already furnished by a person or political subdivision in this state to a federal, state, or local regulatory authority that is available for his study; and

(b) cause reporting procedures, including forms, to conform to existing requirements of federal, state, and local regulatory authorities.

(5) Except as provided in subsection (2), nothing in this part requires the disclosure by a distributor of confidential information, trade secrets, or other facts of a proprietary nature.

(6) (a) The information required under subsection (2) of this section is subject to the following restrictions:

(i) Except in accordance with a proper judicial order, no public officer or employee charged by the governor with the custody of this information may divulge or make known in any manner any information that is specific to a particular distributor.

(ii) The public officers and employees charged by the governor with the custody of the information provided for in subsection (2) may not be required to produce any of it or evidence of anything contained in it on behalf of any party to any action or proceeding under this part, except when the information concerned is directly involved in the action or proceeding, in which case only that information directly pertinent to the action or proceeding may be admitted.

(b) Nothing in this section shall preclude access to such information by the legislative auditor in carrying out his functions under Title 5, chapter 13.

(7) The governor shall forward to the committee such information collected under this section as the committee may request and shall advise the committee of the progress of the information gathering process.

**History: En. Sec. 5, Ch. 473, L. 1979; amd. Sec. 3, Ch. 204, L. 1981.**

**Cross-References**

General authority of the Governor — emergencies, 10-3-104.

**90-4-306. Advice of distributors and consumers.** The governor shall actively solicit the advice of consumers, through the legislative consumer committee established in 5-15-101, and of distributors throughout the information gathering, planning, and implementation process described in this part.

**History: En. Sec. 6, Ch. 473, L. 1979.**

**Cross-References**

Consumer Counsel, Art. XIII, sec. 2, Mont. Const.; 5-15-201.

Legislative Consumer Committee, Title 5, ch. 15, part 1.

Communications — emergencies, 10-3-106.

**90-4-307. Submission and approval of curtailment plans.** (1) The governor may at any time require a distributor of an energy resource to prepare for his approval a plan for the curtailment of the distribution of that resource in the event of a state of energy emergency. Plans shall be submitted in such form and within such limits as the governor shall specify and shall recognize the obligations and duties which may be placed upon distributors subject to this part by other jurisdictions, both state and federal.

(2) Approval of plans for curtailment shall be based on the following factors:

(a) the consistency of the plan with the public health, safety, and welfare;

(b) the technical feasibility of implementation of the plan;

(c) the effectiveness with which the plan minimizes the impact of any curtailment;

(d) the needs of commercial, agricultural, retail, professional, and service establishments whose normal function is to supply goods or services, or both, of an essential nature, including but not limited to food, lodging, fuel, and medical care facilities;

(e) the regional agreements or contracts of the distributors; and

(f) the advice of the committee.

**History: En. Sec. 7, Ch. 473, L. 1979.**

**Cross-References**

General authority of the Governor — emergencies, 10-3-104.

**90-4-308. Governor's considerations.** In determining whether to declare an energy supply alert or energy emergency, the governor shall consider:

(1) availability of regional and national energy resources;

(2) local, state, regional, and national energy needs and shortages;

(3) availability of short-term alternative supplies on a local, state, regional, and national basis;

(4) the economic effect of such declaration and the implementation of any curtailment or conservation plans;

(5) the advice of the committee; and

(6) any other relevant factors.

**History: En. Sec. 8, Ch. 473, L. 1979.**

**Cross-References**

Proclamation of emergency — effect and termination, 10-3-505.

**90-4-309. Energy supply alert.** (1) The governor may upon finding that an energy alert condition exists, declare the same for a period of not longer than 90 days, setting forth the reasons therefor. Such declaration may be renewed for 90-day periods thereafter upon a finding that the energy alert condition will continue for such further period.

(2) Whenever the governor has declared an energy supply alert, he may by executive order direct actions:

(a) reducing energy resource usage by state agencies and political subdivisions;

(b) promoting conservation, prevention of waste and salvage of energy resources and the materials, services, and facilities derived therefrom or dependent thereon, by state agencies and political subdivisions.

**History: En. Sec. 9, Ch. 473, L. 1979.**

**Cross-References**

Proclamation of emergency — effect and termination, 10-3-505.

**90-4-310. Energy emergency powers of governor.** In addition to his existing powers and duties, the governor shall have the following duties and special energy emergency powers subject to the definitions and limitations in this part:

(1) The governor with the advice of the committee may, upon finding that a situation exists which threatens to seriously disrupt or diminish energy supplies to the extent that life, health, or property may be jeopardized, declare a condition or state of energy emergency, at which time all of the general and specific emergency powers further enumerated in this section shall become effective.

(2) The condition of energy emergency terminates after 45 consecutive days unless extended by a declaration of the legislature by joint resolution of a continuing condition of energy emergency of a duration to be established by the legislature.

(3) The conditions of an energy emergency alternatively cease to exist upon a declaration to that effect by either of the following:

(a) the governor; or

(b) the legislature, by joint resolution if in regular or special session.

(4) In a declared state of energy emergency, the governor may, with the advice of the committee:

(a) implement such programs, controls, standards, priorities, and quotas for the production, allocation, conservation, and consumption of energy, including plans for the curtailment of energy; provided that in so doing, the governor shall impose controls, quotas, or curtailments according to the nature of the end use to be made of the energy consistent with existing transmission and distribution systems serving the geographic area affected by the energy emergency;

(b) suspend and modify existing pollution control standards and requirements or any other standards or requirements affecting or affected by the use of energy, including those relating to air or water quality control; and

(c) establish and implement regional programs and agreements for the purposes of coordinating the energy programs and actions of the state with those of the federal government and of other states, localities, and other persons.

(5) Nothing in this part means that any program, control, standard, priority quota, or other policy created under the authority of the emergency powers authorized by this part has any continuing legal effect after the cessation of a declared state of energy emergency.

(6) Because of the emergency nature of this part, all actions authorized or required hereunder or taken pursuant to any order issued by the governor are exempted from all requirements and provisions of the Montana Environmental Policy Act of 1971, including but not limited to the requirement for environmental impact statements.

(7) Except as provided in this section, nothing in this part exempts a person from compliance with the provisions of any other law, rule, or directive unless specifically ordered by the governor, or unless impossibility of compliance is a direct result of an order of the governor.

**History: En. Sec. 10, Ch. 473, L. 1979; amd. Sec. 1, Ch. 387, L. 1981.**

**Cross-References**

Emergency resource management — Governor's powers and duties, 10-3-503.

**90-4-311. Obligations of state and local executives.** To protect the public welfare during conditions of energy alerts or emergencies, the chief executive of each political subdivision of the state, including local governments with self-government power, and each state agency shall carry out in its jurisdiction such energy supply alert or energy emergency measures as may be ordered by the governor.

**History: En. Sec. 11, Ch. 473, L. 1979.**

**Cross-References**

Intergovernmental cooperation, Title 10, ch. 3, part 2.

Local and interjurisdictional planning and execution — emergencies, 10-3-401.

**90-4-312. Coordination with federal provisions.** In order to attain uniformity, as far as is practicable throughout the country in measures taken to aid in energy crisis management, all action taken under this part and all orders and rules made pursuant to it shall be taken or made with due consideration for and consistent when practicable with the orders, rules, actions, recommendations, and requests of federal authorities.

**History:** **En. Sec. 12, Ch. 473, L. 1979.**

**Cross-References**

State planning and execution — emergencies, Title 10, ch. 3, part 3.

**90-4-313. Compliance.** Notwithstanding any provision of law or contract to the contrary, all persons who are specifically ordered by the governor with the advice of committee to comply with an order issued or action taken pursuant to this part shall comply.

**History:** **En. Sec. 13, Ch. 473, L. 1979.**

**Cross-References**

Disaster and emergency services — general authority of the Governor, 10-3-104.

Emergency resource management — Governor's powers and duties, 10-3-503.

**90-4-314. Orders to distributors.** The governor may order any distributor to take such action on his behalf as may be required to implement orders issued pursuant to 90-4-310 and no distributor or person is liable for actions taken in accordance with such order.

**History:** **En. Sec. 14, Ch. 473, L. 1979.**

**Cross-References**

Disaster and emergency services — general authority of the Governor, 10-3-104.

Emergency resource management — Governor's powers and duties, 10-3-503.

**90-4-315. Liability.** No distributor or person is liable for damages to persons or property resulting from action taken in accordance with orders or rules issued pursuant to this part or actions taken pursuant to orders, rules, actions, recommendations, and requests of federal authorities.

**History:** **En. Sec. 15, Ch. 473, L. 1979.**

**90-4-316. Rules and executive orders.** Notwithstanding the exemption from the provisions of the Montana Administrative Procedure Act granted to the governor in Title 2, chapter 4, MCA, the governor may adopt rules necessary to implement this part and cause their adoption and publication to be completed in the same manner as the adoption and publication of agency rules. In addition, executive orders of the governor implementing provisions of this part shall be published in the Montana Administrative Register upon request of the governor.

**History:** **En. Sec. 16, Ch. 473, L. 1979.**

**Cross-References**

Disaster and emergency services — general authority of the Governor, 10-3-104.

Emergency resource management — Governor's powers and duties, 10-3-503.

**90-4-317. Disaster and emergency laws supplemented.** The powers vested in the governor under this part are in addition to and not in lieu of emergency powers vested in him under Title 10, chapter 3, or any other law of Montana.

**History:** **En. Sec. 17, Ch. 473, L. 1979.**

**90-4-318. Governor may authorize expenditure.** The governor may authorize the incurring of liabilities and expenses to be paid as other claims against the state from the general fund, in the amount necessary, when an energy emergency is declared by the governor and justifies the expenditure as set forth in 10-3-311 for other emergency or disaster expenditures.

**History: En. Sec. 18, Ch. 473, L. 1979.**

**90-4-319. Penalties.** A person convicted of violating this part is guilty of a misdemeanor. Each day of violation, after notice of violation, constitutes a separate offense.

**History: En. Sec. 19, Ch. 473, L. 1979.**

**Cross-References**

Classification of offenses, 45-1-201.

Misdemeanor defined, 45-2-101.

Penalty when none specified, 46-18-212.

## Part 4

## Pacific Northwest Electric Power and Conservation Planning Council

**90-4-401. Agreement to pacific northwest electric power and conservation planning council.** The state of Montana agrees through this part and through the appointment of persons as provided in this part to formation of and participation in the pacific northwest electric power and conservation planning council, hereafter referred to in this part as "the council", and to the performance of the functions and duties of the council as provided in the Pacific Northwest Electric Power Planning and Conservation Act (P.L. 96-501).

**History: En. Sec. 1, Ch. 50, L. 1981.**

**90-4-402. Appointment of council members by governor.** (1) The governor shall appoint at the beginning of each gubernatorial term two persons to serve as members of the council as provided in P.L. 96-501.

(2) An appointment of a council member by the governor is subject to the confirmation of the senate, except that the governor may appoint a council member to assume office before the senate meets in its next regular session to consider the appointment. A member so appointed is vested with all the functions of the office upon assuming the office and is a de jure officer, notwithstanding the fact that the senate has not yet confirmed the appointment. If the senate does not confirm the appointment of a member, the governor shall make a new appointment.

(3) A council member serves at the pleasure of the governor. The governor may remove a council member at any time and appoint a new member to the office.

(4) If a vacancy occurs in the office of a council member, the governor shall appoint, as soon as reasonably possible, a new member to serve at the pleasure of the governor.

(5) The governor shall appoint the initial members within 30 days of March 12, 1981.

**History: En. Sec. 2, Ch. 50, L. 1981.**

**Cross-References**

Powers and duties of Governor, 2-15-201.

**90-4-403. Duties of council members.** The council members shall:

(1) undertake the functions and duties prescribed by P.L. 96-501 and in applicable state law; and

(2) serve on a full- or part-time basis as determined by the governor.

**History: En. Sec. 3, Ch. 50, L. 1981; amd. Sec. 1, Ch. 98, L. 1985.**

**90-4-404. Compensation of council members.** Each member shall receive compensation to be determined by the governor, in consultation with the governors of the participating states, and according to applicable federal law.

**History: En. Sec. 4, Ch. 50, L. 1981.**

## Part 5

## Residential Conservation Service

**Part Cross-References**

Credit for energy-conserving investments, 15-30-125.

Deduction for energy-conserving investments, 15-32-103.

Loans by utilities and financial institutions — tax credit for interest differential, 15-32-107.

Credit for energy-conserving expenditures, 15-32-109.

Tax credit for installing alternative energy system, Title 15, ch. 32, part 2.

**90-4-501. Purpose.** The purpose of this part is to provide for administration by the state of the residential conservation service program mandated by the National Energy Conservation Policy Act of 1978 (P.L. 95-619). Implementation of this program will provide the citizens of Montana with a means of determining the need for and the cost-effectiveness of various energy conservation measures in their homes. It will also provide procedures for obtaining financing for installation of necessary energy conservation measures.

**History: En. Sec. 1, Ch. 137, L. 1981.**

**90-4-502. Definitions.** As used in this part, the following definitions apply:

(1) "Department" means the department of natural resources and conservation.

(2) "Residential conservation service" means a program, in which utilities must participate, that provides for energy audits and installation and financing of energy conservation measures.

(3) "Utility" means a person, individual, group, firm, partnership, corporation, cooperative, association, or other organization or entity supplying:

(a) 10 billion cubic feet or more of natural gas a year in sales;

(b) 750 million kilowatt hours or more of electricity a year in sales; or

(c) less natural gas or electricity than in subsection (3)(a) or (3)(b) that elects by written notice to the department to participate in the residential conservation service program and agrees to comply with the residential conservation service rules of the department and of the United States department of energy.

**History: En. Sec. 2, Ch. 137, L. 1981.**

**90-4-503. Residential conservation service established.** (1) There is a residential conservation service established in Montana under the National

Energy Conservation Policy Act of 1978, which shall be administered by the department according to the provisions of P.L. 95-619 and this part.

(2) This part is supplemental to the provisions of 15-32-107 administered by the public service commission.

**History: En. Sec. 3, Ch. 137, L. 1981.**

**90-4-504. General powers of department.** The department may:

(1) use existing staff to administer this part;

(2) provide and maintain a list of qualified contractors, lenders, and suppliers;

(3) adopt rules for the purpose of establishing:

(a) qualification criteria for contractors, lenders, and suppliers;

(b) procedures for applications for energy audits and financing for energy conservation measures;

(c) guidelines for and monitoring of the residential conservation program;

(d) grievance procedures for the residential conservation service.

**History: En. Sec. 4, Ch. 137, L. 1981.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

## Part 6

## State Building Energy Conservation Program

**Part Compiler's Comments**

*Effective Date:* Section 16, Ch. 473, L. 1989, provided: "[This act] is effective on passage and approval." Approved April 8, 1989.

**90-4-601. Short title.** This part may be cited as the "State Building Energy Conservation Act".

**History: En. Sec. 1, Ch. 473, L. 1989.**

**90-4-602. Definitions.** (1) "Board" means the board of examiners provided for in 2-15-1007.

(2) "Cost" includes the expenses related to planning, design, construction, and installation of energy conservation improvements and any administrative expenses of the department incurred in the performance of its duties under the energy conservation program.

(3) "Department" means the department of natural resources and conservation provided for in 2-15-3301.

(4) "Energy conservation program" means a program for the financing, acquisition, construction, and installation of energy saving equipment, systems, and improvements in state-owned buildings, structures, and facilities.

(5) "Energy conservation program bonds" includes all series of bonds issued to finance any portion of the energy conservation program.

(6) "State agency" means:

(a) each executive, legislative, or judicial branch department, office, or agency; and

(b) the university system.

**History: En. Sec. 2, Ch. 473, L. 1989.**

**90-4-603 and 90-4-604 reserved.**

**90-4-605. Preparation of energy conservation program.** (1) Before June 30 of each odd-numbered year, state agencies shall submit to the department, on forms provided by the department, a list of any facilities operated by that agency that have a potential for energy savings, based on age, energy use, function, and condition of the building. Agencies may request assistance from the department to identify these facilities.

(2) Based on the criteria in subsection (1), the department shall select certain facilities for in-depth energy analyses to identify the technical and financial feasibility of making energy conservation improvements to the facilities.

(3) During the energy analyses, the department shall consult with the utilities that serve the selected facilities to discuss potential impacts on the utilities and their customers of making energy conservation improvements to these facilities.

(4) Upon completion of the energy analyses, the department shall submit to the governor its findings and a prioritized list of projects recommended for funding under the energy conservation program. The department shall rank projects in terms of cost-effectiveness to the state.

(5) The department shall compile a report that must include the following:

(a) a listing of all requests submitted by state agencies;

(b) a summary of the department's review of agency requests;

(c) a summary of the energy analyses conducted by the department, including the estimated cost of each proposed project and the estimated energy cost savings of each proposed project;

(d) a description of measures taken by the department to address the issues that were raised in the consultation with the affected utilities; and

(e) if a fuel switching measure is proposed, an analysis of the costs to the affected utility and its customers and of the benefits to the state of the fuel switching measure.

(6) If a fuel switching measure is proposed, the department shall demonstrate through the analysis required by subsection (5)(e) that the benefits to the state exceed the costs to the utility and its customers.

(7) The department shall submit the report required by subsection (5) to the governor before September 1 of each even-numbered year.

**History:** En. Sec. 3, Ch. 473, L. 1989.

**90-4-606. Submission to the legislature.** During the first week of the regular legislative session, the governor shall submit to the legislature for its approval the proposed projects to be funded by the energy conservation program for the next biennium. In his recommendation, the governor shall include:

(1) the report prepared by the department;

(2) a description of the improvements to be financed;

(3) the estimated cost of each project and the total cost of the program; and

(4) the proposed method of financing the improvement. If energy conservation program bonds are proposed to be issued to finance the program improvements, the governor shall include within his report a written statement by the department that the estimated annual energy savings to be

derived from the installation of the energy saving equipment or improvements, upon completion, are expected to equal or exceed the annual debt service to be paid on the energy conservation program bonds proposed to be issued to fund the costs of such equipment or improvements.

**History:** **En. Sec. 4, Ch. 473, L. 1989.**

**90-4-607. Duties of department.** In addition to the duties set forth in 90-4-605, the department is authorized to:

(1) analyze state utility data to identify high-potential energy conservation projects;

(2) perform comprehensive energy analyses on state-owned buildings, structures, and facilities, contracting with private engineers when necessary;

(3) administratively transfer funds to the department of administration to procure design and construction of cost-effective energy improvements;

(4) train facility maintenance staff in energy saving techniques and maintenance of energy improvements and monitor energy conservation projects to ensure that cost savings are realized and are adequate to cover the debt service if bonds have been issued to fund the improvements.

**History:** **En. Sec. 5, Ch. 473, L. 1989.**

**90-4-608 through 90-4-610 reserved.**

**90-4-611. Authority to issue energy conservation program bonds.** (1) When authorized by the vote of two-thirds of the members of each house of the legislature, at the request of the department, and pursuant to this part, the board may issue and sell bonds or bond anticipation notes of the state in a manner it considers necessary and proper to finance the energy conservation program and to pay costs associated with the sale and issuance of the bonds. Bonds may be issued to provide funds for the payment or redemption of energy conservation building program bonds issued under this section.

(2) The full faith and credit and taxing powers of the state are pledged for the prompt and full payment of all bonds so issued and interest and redemption premiums payable on the bonds according to their terms.

**History:** **En. Sec. 6, Ch. 473, L. 1989.**

**Compiler's Comments**

*Approval of Projects — 1990-91 Biennium:* Section 9, Ch. 473, L. 1989, provided: "Notwithstanding the provisions of [sections 3 and 4] [90-4-605 and 90-4-606], the legislature approves the energy conservation projects listed below and the described amounts as the energy conservation program for the 1990-91 biennium:

| Facility | Cost |
|---|---|
| Montana State Hospital at Warm Springs | $801,146 |
| Montana State Hospital at Galen | 853,788 |
| Center for the Aged | 125,000 |
| School for the Deaf and Blind | 125,000 |
| Total | $1,904,934" |

*Temporary Authorization of Bonds — 1990-91 Biennium:* Section 10, Ch. 473, L. 1989, provided: "(1) At the request of the department, the board may issue and sell bonds of the state in an aggregate principal amount not exceeding $3 million to provide money for the 1990-91 biennium energy conservation program. The bonds are general obligations for which the full faith and credit and taxing powers of the state are pledged for payment of the principal and interest. The bonds must be issued as provided by Title 17, chapter 5, part 8.

(2) The proceeds of the bonds, other than any premiums and accrued interest received, must be deposited in the energy conservation program account. Any premium and accrued interest must be deposited to the debt service fund established in 17-2-102. Proceeds of bonds deposited in the energy

conservation program account may be used to pay the costs of issuing the bonds and to pay costs of the energy conservation program, including the funding of the 1990-91 biennium energy conservation projects approved by the legislature. For purposes of 17-5-803 and 17-5-804, the energy conservation program account constitutes a capital projects account. Such proceeds must be available to the department and may be used for the purposes authorized in [sections 1 through 8] [Title 90, ch. 4, part 6] without further budgetary authorization."

**90-4-612. Form — principal and interest — fiscal agent — deposit of proceeds.** (1) Each series of energy conservation program bonds may be issued by the board at the request of the department, in denominations and forms, whether payable to bearer or registered as to principal or as to both principal and interest, with provisions for conversion or exchange and for the issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest at a rate or rates, maturing at times not exceeding 15 years from date of issue, subject to redemption at earlier times and prices and upon notice, and payable at the office of such fiscal agent of the state, as the board shall determine subject to the provisions of this section and 90-4-611.

(2) In all other respects, the board is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment. The bonds and any interest coupons must be signed by the members of the board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and sold.

(3) The board may employ a fiscal agent to assist in the performance of its duties under this part.

(4) There is created an energy conservation program account within the state special revenue fund established in 17-2-102.

(5) All proceeds of bonds and notes issued under 90-4-611 must be deposited in the energy conservation program account, except that any premiums and accrued interest received must be deposited in the debt service fund established in 17-2-102.

**History: En. Sec. 7, Ch. 473, L. 1989.**

**90-4-613. Use of energy conservation program account.** The energy conservation program account must be segregated by the treasurer from all other money in that or any other fund in the state treasury and used only to pay costs of the energy conservation program. The department may transfer all money authorized by the legislature for its administrative expenditures from the energy conservation program account to a special revenue fund. This money is statutorily appropriated as provided in 17-7-502.

**History: En. Sec. 8, Ch. 473, L. 1989.**

## CHAPTER 5

## SECONDARY INDUSTRY AND COMMERCIAL DEVELOPMENT

### Part 1 — Industrial Development Projects

90-5-101. Definition of terms.
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90-5-103. Limited obligation bonds — form and contents — sale — negotiability — filing.

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### Part 2 — Western Interstate Nuclear Compact State Nuclear Policy

90-5-201. Western interstate nuclear compact adopted — text.
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90-5-211. Declaration of policy.

### Part 3 — Employee Ownership Opportunity Act

90-5-301. Short title.
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90-5-303. Definitions.
90-5-304. Extension of business assistance services to employee-owned enterprises.
90-5-305. Department to offer employee ownership development services.

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**Chapter Cross-References**

Recreation, Title 7, ch. 16.

Business incubator tax exemption, Title 15, ch. 24, part 18.

Coal tax to alternative energy research and renewable resource development, 15-35-108.

Buildings and building regulations, Title 18, ch. 2.

Writs — mandamus, Title 27, ch. 26, part 2.

Commercial paper, Title 30, ch. 3.

Pledges, 30-9-102, 71-2-101.

Forest development road, 61-8-110.

Eminent domain, Title 70, ch. 30.

Mortgages, Title 71, ch. 1.

Montana Major Facility Siting Act, Title 75, ch. 20.

Development, protection, and conservation of forest, range, and water resources, 76-13-104.

Development of state land resources, Title 77, ch. 1, part 6.

Oil and gas development, 77-3-402.

Power sites on state lands, 77-4-204.

Water resource development, Title 85, ch. 1.

## Part 1

## Industrial Development Projects

**Part Cross-References**

Laws to protect, enhance, and develop all agriculture, Art. XII, sec. 1(1), Mont. Const.

Business improvement districts, Title 7, ch. 12, part 11.

Agricultural experiment station and research centers, 20-25-222.

Experimental farms, 20-25-225.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Montana Development Credit Corporation, 32-4-102.

Agricultural cooperatives, Title 35, ch. 16.

Cooperative marketing, Title 35, ch. 17.

Nursing homes, Title 37, ch. 9; 53-21-401.

Federal and state aid for airport development, 67-10-405.

Airport development — municipal and regional airport authorities, 67-11-105.

**90-5-101. Definition of terms.** As used in this part, unless the context otherwise requires, the following definitions apply:

(1) "Agricultural enterprises" include but are not limited to producing, warehousing, storing, fattening, treating, handling, distributing, or selling farm products or livestock.

(2) "Bonds" means bonds, refunding bonds, notes, or other obligations issued by a municipality or county under the authority of this part, including without limitation short-term bonds or notes issued in anticipation of the issuance of long-term bonds or notes.

(3) "Governing body" means the board or body in which the general legislative powers of the municipality or county are vested.

(4) "Higher education facilities" means any real or personal properties required or useful for the operation of an institution of higher education.

(5) "Institution of higher education" means any private nonprofit corporation or institution within the state of Montana:

(a) authorized to provide or operate educational facilities; and

(b) providing a program of education beyond the high school level.

(6) "Mortgage" means a mortgage or deed of trust or other security device.

(7) "Municipality" means any incorporated city or town in the state.

(8) "Project" means any land; any building or other improvement; and any other real or personal properties deemed necessary in connection therewith, whether or not now in existence, which shall be suitable for use for commercial, manufacturing, agricultural, or industrial enterprises; recreation or tourist facilities; local, state, and federal governmental facilities; multifamily housing, hospitals, long-term care facilities, or medical facilities; higher education facilities; small-scale hydroelectric production facilities with a capacity of 50 megawatts or less; and any combination of these projects.

**History: En. Sec. 1, Ch. 51, L. 1965; amd. Sec. 1, Ch. 50, L. 1969; amd. Sec. 1, Ch. 386, L. 1971; amd. Sec. 1, Ch. 234, L. 1975; amd. Sec. 1, Ch. 374, L. 1975; R.C.M. 1947, 11-4101; amd. Sec. 1, Ch. 656, L. 1979; amd. Sec. 1, Ch. 318, L. 1981; amd. Sec. 1, Ch. 376, L. 1981; amd. Sec. 1, Ch. 4, Sp. L. March 1986.**

**Cross-References**

Laws to protect, enhance, and develop all agriculture, Art. XII, sec. 1(1), Mont. Const.

Rate of interest on bonds to be determined by governing bodies, 17-5-102.

Development of outdoor recreational resources, Title 23, ch. 2, part 1.

Montana Development Credit Corporation, 32-4-102.

Agricultural cooperatives, Title 35, ch. 16.

Cooperative marketing, Title 35, ch. 17.

Montana Major Facility Siting Act, Title 75, ch. 20.

Development of state land resources, Title 77, ch. 1, part 6.

Oil and gas development, 77-3-402.

Power sites on state lands, 77-4-204.

Water resource development, Title 85, ch. 1.

**90-5-102. General municipal and county powers.** (1) In addition to any other powers which it may now have, each municipality and each county may:

(a) acquire, by construction, purchase, devise, gift, or lease or any combination of such methods, one or more projects located within this state. The projects may be located within, without, or partially within and partially without the municipality or county.

(b) lease to others any or all of its projects for such rentals and upon such terms and conditions, consistent with the provisions of this part, as the governing body considers advisable;

(c) enter into agreements, upon terms the governing body considers advisable and not in conflict with the provisions of this part, to loan the proceeds of its revenue bonds to others for the purpose of defraying the cost of acquiring or improving any project;

(d) issue revenue bonds for the purpose of defraying the cost of acquiring or improving any project or projects and secure the payment of such bonds as provided in this part. The revenue bonds may be issued in two or more series or issues where considered advisable, and each such series or issue may contain different maturity dates, interest rates, priorities on revenues available for payment of the bonds, priorities on securities available for guaranteeing payment thereof, and such other differing terms and conditions as are considered necessary and are not in conflict with the provisions of this part; and

(e) sell and convey any real or personal property acquired as provided by subsection (1)(a) of this section and make any order respecting it as may be conducive to the best interest of the municipality or county, provided that such sale or conveyance shall be subject to the terms of any lease but shall be free and clear of any other encumbrance.

(2) No municipality or county may operate any project financed by the sale of revenue bonds as a business or in any manner except as the lessor thereof. No municipality or county may acquire any such project or any part thereof by condemnation.

**History: En. Sec. 2, Ch. 51, L. 1965; R.C.M. 1947, 11-4102; amd. Sec. 3, Ch. 51, L. 1979; amd. Sec. 2, Ch. 656, L. 1979.**

**Cross-References**

Local government — debt management, Title 7, ch. 7.

Functions of Department of Commerce — economic development, 90-1-105.

Powers cumulative, 90-5-111.

Advice and information by Department of Commerce, 90-5-113.

**90-5-103. Limited obligation bonds — form and contents — sale — negotiability — filing.** (1) All bonds issued by a municipality or county under the authority of this part shall be limited obligations of the municipality or county. Bonds and interest coupons issued under the authority of this part shall not constitute or give rise to a pecuniary liability of the municipality or county or a charge against its general credit or taxing powers. Such limitation shall be plainly stated upon the face of each of such bonds.

(2) The bonds referred to in subsection (1) of this section may be executed and delivered at any time and from time to time, be in such form and denominations, be of such tenor, be in registered or bearer form either as to principal or interest or both, be payable in such installments and at such time or times not exceeding 30 years from their date, be payable at such place or places, bear interest at such rate or rates, payable at such place or places, and evidenced in such manner, be redeemable prior to maturity, with or without premium, and contain such provisions not inconsistent herewith as shall be deemed for the best interest of the municipality or county and provided for in the proceedings of the governing body whereunder the bonds shall be authorized to be issued.

(3) Any bonds issued under the authority of this part may be sold at public or private sale in such manner, at such time or times, and at such price above or below par as may be agreed upon by the lessee of the project or the

borrower of the funds. The municipality or county may pay all expenses, premiums, and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale, and issuance thereof from the proceeds of the sale of said bonds or from the revenues of the projects.

(4) All bonds issued under the authority of this part and all interest coupons applicable thereto shall be construed to be negotiable instruments despite the fact that they are payable solely from a specified source.

(5) All bonds issued under the authority of this part must be filed with the securities commissioner within 10 days of the date of their issue. The filing must include the name of the issuing authority, the name and address of the person or entity on whose behalf the bonds are issued, the amount of the bond issue, the date of the bond issue, and any other information the securities commissioner may request. Failure to comply with this section does not affect the validity of the bond issue.

**History: (1) thru (4)En. Sec. 3, Ch. 51, L. 1965; amd. Sec. 1, Ch. 304, L. 1974; R.C.M. 1947, 11-4103(1) thru (4); amd. Sec. 3, Ch. 656, L. 1979; (5)En. Sec. 1, Ch. 167, L. 1981.**

**Cross-References**

Local government — debt management, Title 7, ch. 7.

Commercial paper, Title 30, ch. 3.

Use of proceeds of bond sales, 90-5-108.

**90-5-104. Hearing.** (1) Prior to the issuance of any bonds under the authority of this part by any municipality or county to pay the costs of acquiring or improving a project, the governing body shall give notice and hold a public hearing on the proposed project. At least once a week for 3 consecutive weeks prior to the date set for the hearing, the governing body shall publish in a newspaper of general circulation in the municipality or county a notice of the time and place of the hearing, the general nature of the project, the name of the lessee, borrower, or user of the project, and the estimated cost of the project. The governing body may not issue the bonds to pay the costs of acquiring or improving a project unless it appears after the public hearing that the acquisition or improvement of the project is in the public interest of the municipality or county.

(2) The provisions of subsection (1) do not apply to refunding bonds issued under 90-5-107 to refund bonds issued to pay the costs of acquiring or improving a project as to which a hearing was held under subsection (1).

**History: En. Sec. 3, Ch. 51, L. 1965; amd. Sec. 1, Ch. 304, L. 1974; R.C.M. 1947, 11-4103(5); amd. Sec. 4, Ch. 656, L. 1979; amd. Sec. 2, Ch. 376, L. 1981.**

**Cross-References**

Notice — actual and constructive, 1-1-217.

Notice and opportunity to be heard, Title 2, ch. 3, part 1.

General municipal and county powers, 90-5-102.

Limited obligation bonds — form and contents — sale — negotiability, 90-5-103.

**90-5-105. Provisions for security of bondholders.** (1) The payment of the principal of and interest on any bonds issued under the authority of this part shall be secured by a pledge of the revenues out of which such bonds shall be made payable.

(2) The principal of and interest on any bonds issued under the authority of this part may be secured by:

(a) a mortgage covering all or any part of the project;

(b) a pledge of the lease or loan agreement relating to such project; or

(c) such other security device as may be deemed most advantageous by the issuing authority.

(3) (a) The proceedings under which the bonds are authorized to be issued under the provisions of this part and any mortgage given to secure the same, including a mortgage given by the borrower or lessee, may contain any agreements and provisions customarily contained in instruments securing bonds, all as the governing body shall deem advisable and as shall not be in conflict with the provisions of this part, including, without limiting the generality of the foregoing, provisions respecting the:

(i) fixing and collection of rents or payments under any lease or loan agreement concerning the project covered by such proceedings or mortgage;

(ii) terms to be incorporated in the lease or loan agreement;

(iii) maintenance and insurance of such project;

(iv) creation and maintenance of special funds from the revenues of such project; and

(v) rights and remedies available in the event of a default to the bondholders or to the trustee under a mortgage.

(b) In making any such agreements or provisions, a municipality or county shall not have the power to obligate itself except with respect to the project and the application of the revenues therefrom and shall not have the power to incur a pecuniary liability or a charge upon its general credit or against its taxing powers.

(4) The proceedings authorizing any bonds under the provisions of this part and any mortgage, including a mortgage given by the lessee or borrower, securing such bonds may provide that in the event of a default in the payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or mortgage, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents and to apply the revenues from the project in accordance with such proceedings or the provisions of such mortgage.

(5) Any mortgage made by the municipality or county or by the lessee or borrower to secure these bonds may also provide that, in the event of a default in the payment thereof or the violation of any agreement contained in the mortgage, the mortgage may be foreclosed and the project sold under proceedings in equity or in any other manner now or hereafter permitted by law. Such mortgage may also provide that any trustee under such mortgage or the holder of any of the bonds secured thereby may become the purchaser at any foreclosure sale if the highest bidder therefor. No breach of any such agreement shall impose any pecuniary liability upon a municipality or county or any charge upon their general credit or against their taxing powers.

**History:** **En. Sec. 4, Ch. 51, L. 1965; R.C.M. 1947, 11-4104; amd. Sec. 5, Ch. 656, L. 1979.**

**Cross-References**

Bond Validating Act, Title 17, ch. 5, part 2.
Writs — mandamus, Title 27, ch. 26.
Commercial paper, Title 30, ch. 3.
Pledges, 30-9-102, 71-2-101.
Mortgages, Title 71, ch. 1.
Cost of projects, 90-5-109.

**90-5-106. Determination of costs — terms of lease.** (1) Prior to the leasing of any project or entering into a loan agreement concerning a project, the governing body must determine and find the following:

(a) the amount necessary to pay the principal of and the interest on the bonds proposed to be issued to finance such project;

(b) the amount necessary to be paid into any reserve funds which the governing body may deem it advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project including taxes; and

(c) the estimated cost of maintaining the project in good repair and keeping it properly insured, unless the terms of the lease or loan agreement provide that the lessee or borrower shall maintain the project and carry all proper insurance with respect thereto.

(2) The determinations and findings of the governing body required to be made by subsection (1) shall be set forth in the proceedings under which the proposed bonds are to be issued. Prior to the issuance of any bonds authorized by this part, the municipality or county shall lease the project to a lessee or lessees or enter into a loan agreement with a borrower under a lease or loan agreement conditioned upon completion of the project by the lessees or borrowers and providing for payment to the municipality or county of such rentals or payments as, upon the basis of such determinations and findings, will be sufficient to:

(a) pay the principal of and interest on the bonds issued to finance the project;

(b) pay the taxes on the project;

(c) build up and maintain any reserves deemed by the governing body to be advisable in connection therewith; and

(d) pay the costs of maintaining the project in good repair and keeping it properly insured, unless the lease or loan agreement obligates the lessees or borrowers to pay for the maintenance and insurance of the project.

(3) Subject to the limitations of this part, the lease, loan agreement, or extensions or modifications thereof may contain such other terms and conditions as may be mutually acceptable to the parties and, notwithstanding any other provisions of law relating to the sale of property owned by municipalities and counties, an option may be granted to a lessee to purchase the project on such terms and conditions as may be mutually acceptable to the parties.

**History: En. Sec. 5, Ch. 51, L. 1965; R.C.M. 1947, 11-4105; amd. Sec. 6, Ch. 656, L. 1979.**

**Cross-References**

Cost of projects, 90-5-109.

**90-5-107. Refunding of bonds.** (1) Any bonds issued under the provisions of this part and at any time outstanding, including, without limitation, short-term bonds issued in anticipation of the issuance of long-term bonds, may at any time and from time to time be refunded by a municipality or county by the issuance of its refunding bonds in such amount as the governing body may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be so refunded, together with any interest thereon and any premiums and commissions necessary to be paid in connection therewith. An issue of refunding bonds may be combined with an issue of additional revenue bonds on any project when the combined total meets the requirements of 90-5-106(1).

(2) Any such refunding may be effected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof for the payment of the bonds to be refunded thereby or by exchange of the refunding bonds for the bonds to be refunded thereby. The holders of any bonds to be so refunded shall not be compelled without their consent to surrender their bonds for payment or exchange prior to the date on which they are payable by maturity date, option to redeem, or otherwise, or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption by option or otherwise. Any refunding bonds issued under the authority of this part shall be subject to the provisions contained in 90-5-103 and may be secured in accordance with the provisions of 90-5-105.

(3) The principal proceeds from the sale of any refunding bonds may be applied only as follows, either:

(a) to the immediate payment and retirement of the bonds being refunded; or

(b) to the extent not required for the immediate payment of the bonds being refunded, such proceeds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded and to pay any expenses incurred in connection with such refunding, except that provision may be made for the pledging and disposition of any surplus, including, without limitation, to the payment of the principal of and interest on any issue or series of refunding bonds.

(4) Money in a trust fund under subsection (3) may be invested in direct obligations of the United States government, obligations the principal of and interest on which are guaranteed by the United States government, or obligations of any agency or instrumentality of the United States government.

(5) Nothing in this section may be construed as a limitation on the duration of any deposit in trust for the retirement of bonds being refunded but that have not matured and that are not presently redeemable or, if presently redeemable, have not been called for redemption.

**History: En. Sec. 6, Ch. 51, L. 1965; R.C.M. 1947, 11-4106; amd. Sec. 3, Ch. 376, L. 1981.**

**Cross-References**

Refunding bonds, Title 17, ch. 5, part 3.

**90-5-108. Use of proceeds of bond sales.** (1) The proceeds from the sale of any bonds issued under authority of this part shall be applied only for the purpose for which the bonds were issued or to discharge any existing indebtedness secured by a lien against a hospital or long-term care facility or higher education facility leased or owned by a nonprofit corporation. However, if the project is not a hospital or long-term care facility or higher education facility leased or owned by a nonprofit corporation, the proceeds from the sale of bonds may not be used to discharge indebtedness without an improvement to the project.

(2) Any accrued interest and premium received in any such sale shall be applied to the payment of the principal of or the interest on the bonds sold. If for any reason any portion of such proceeds shall not be needed for the purpose for which the bonds were issued, then such unneeded portion of said

proceeds shall be applied to the payment of the principal of or the interest on said bonds.

**History: En. Sec. 7, Ch. 51, L. 1965; amd. Sec. 2, Ch. 234, L. 1975; R.C.M. 1947, 11-4107(part); amd. Sec. 7, Ch. 656, L. 1979; amd. Sec. 2, Ch. 4, Sp. L. March 1986.**

**Cross-References**

Limited obligation bonds — form and contents — sale — negotiability, 90-5-103.

**90-5-109. Cost of projects.** The cost of acquiring or improving any project shall be deemed to include the following:

(1) the actual cost of acquiring or improving real estate for any project;

(2) the actual cost of construction of all or any part of a project which may be constructed, including architects' and engineers' fees;

(3) all expenses in connection with the authorization, sale, and issuance of the bonds to finance such acquisition or improvement;

(4) bond reserves and premiums for insurance of lease rentals pledged to pay the bonds; and

(5) the interest on such bonds for a reasonable time prior to construction, during construction, and for not exceeding 6 months after completion of construction.

**History: En. Sec. 7, Ch. 51, L. 1965; amd. Sec. 2, Ch. 234, L. 1975; R.C.M. 1947, 11-4107(part).**

**Cross-References**

Determination of costs — terms of lease, 90-5-106.

**90-5-110. Taxation of projects.** (1) Notwithstanding that title to a project may be in a municipality or county, such projects shall be subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances if such projects are leased to or held by private interests on both the assessment date and the date the levy is made in any year, but such projects shall not be subject to taxation in any year if they are not leased to or held by private interests on both the assessment date and the date the levy is made in any year.

(2) Where personal property owned by a municipality or county is taxed under this section and such personal property taxes are delinquent, levy by warrant for distraint for collection of such delinquent taxes may only be made on personal property against which such taxes were levied.

**History: En. Sec. 8, Ch. 51, L. 1965; R.C.M. 1947, 11-4108; amd. Sec. 10, Ch. 239, L. 1983.**

**Cross-References**

Collection of delinquent taxes — warrant for distraint, Title 15, ch. 1, part 7.

Taxation — collection of property taxes, Title 15, ch. 16.

Economic development levy, 90-5-112.

**90-5-111. Powers cumulative.** Neither this part nor anything herein contained shall be construed as a restriction or limitation upon any powers which a municipality or county might otherwise have under any laws of this state but shall be construed as cumulative.

**History: En. Sec. 9, Ch. 51, L. 1965; R.C.M. 1947, 11-4109.**

**Cross-References**

Local governments — general provisions, Title 7, ch. 1.

General municipal and county powers, 90-5-102.

**90-5-112. Economic development levy.** (1) Upon an affirmative vote of a majority of the qualified voters voting in a city, county, or town on the question of whether the governing body may levy a tax for economic development, the governing body of that city, county, or town is authorized to levy in any one election up to 1 mill upon the taxable value of all the property in the county, city, or town subject to taxation for the purpose of economic development for a period not to exceed 5 years.

(2) Funds derived from this levy may be used for purchasing land for industrial parks, constructing buildings to house manufacturing and processing operations, conducting preliminary feasibility studies, promoting economic development opportunities in a particular area, and other activities generally associated with economic development. These funds may not be used to directly assist an industry's operations by loan or grant or to pay the salary or salary supplements of government employees.

(3) The governing body of the county, city, or town may use the funds derived from this levy to contract with local development companies and other associations or organizations capable of implementing the economic development function.

(4) The authorization to levy up to 1 mill for the purpose of economic development, as provided in subsection (1), is not subject to the provisions of Title 15, chapter 10, part 4, if voter authorization for the levy occurred prior to December 31, 1990.

**History: En. 11-4111 by Sec. 1, Ch. 311, L. 1975; amd. Sec. 32, Ch. 566, L. 1977; R.C.M. 1947, 11-4111; amd. Sec. 2, Ch. 5, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* Inserted (4) exempting economic development levy from property tax freeze if approval by voters occurs prior to December 31, 1990. Amendment effective July 11, 1989.

**Cross-References**

Counties — additional mill levies, 7-6-2532, 7-6-2533.

Municipalities — additional mill levies, 7-6-4432, 7-6-4434.

Tax levies to be made in mills and tenths and hundredths of mills, 15-10-201.

**90-5-113. Advice and information by department of commerce.** The department of commerce shall furnish advice and information in connection with a project when requested to do so by a county or municipality.

**History: En. Sec. 10, Ch. 51, L. 1965; amd. Sec. 56, Ch. 348, L. 1974; amd. Sec. 21, Ch. 213, L. 1975; R.C.M. 1947, 11-4110; amd. Sec. 6, Ch. 274, L. 1981.**

**Cross-References**

Department of Commerce, 2-15-1801.

General municipal and county powers, 90-5-102.

**90-5-114. Preference of Montana labor.** Any contract to construct a project financed pursuant to this part must require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents. "Substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons.

**History: En. Sec. 3, Ch. 653, L. 1985; amd. Sec. 8, Ch. 561, L. 1987.**

## Part 2

## Western Interstate Nuclear Compact State Nuclear Policy

**Part Cross-References**
Nuclear regulation, Title 75, ch. 3.

**90-5-201. Western interstate nuclear compact adopted — text.** The Western Interstate Nuclear Compact is entered into and adopted as follows:

### WESTERN INTERSTATE NUCLEAR COMPACT

### Article I. Policy and Purpose

The party states recognize that the proper employment of scientific and technological discoveries and advances in nuclear and related fields and direct and collateral application and adaptation of processes and techniques developed in connection therewith, properly correlated with the other resources of the region, can assist substantially in the industrial progress of the west and the further development of the economy of the region. They also recognize that optimum benefit from nuclear and related scientific or technological resources, facilities, and skills requires systematic encouragement, guidance, assistance, and promotion from the party states on a cooperative basis. It is the policy of the party states to undertake such cooperation on a continuing basis. It is the purpose of this compact to provide the instruments and framework for such a cooperative effort in nuclear and related fields, to enhance the economy of the west and contribute to the individual and community well-being of the region's people.

### Article II. The Board

(1) There is hereby created an agency of the party states to be known as the "western interstate nuclear board", hereinafter called the board. The board shall be composed of one member from each party state designated or appointed in accordance with the law of the state which he represents and serving and subject to removal in accordance with such law. Any member of the board may provide for the discharge of his duties and the performance of his functions thereon, either for the duration of his membership or for any lesser period of time, by a deputy or assistant, if the laws of his state make specific provisions therefor. The federal government may be represented without vote if provision is made by federal law for such representation.

(2) The board members of the party states shall each be entitled to one vote on the board. No action of the board shall be binding unless taken at a meeting at which a majority of all members representing the party states are present and unless a majority of the total number of votes on the board are cast in favor thereof.

(3) The board shall have a seal.

(4) The board shall elect annually, from among its members, a chairman, a vice-chairman, and a treasurer. The board shall appoint and fix the compensation of an executive director who shall serve at its pleasure and who shall also act as secretary, and who, together with the treasurer and such

other personnel as the board may direct, shall be bonded in such amounts as the board may require.

(5) The executive director, with the approval of the board, shall appoint and remove or discharge such personnel as may be necessary for the performance of the board's functions irrespective of the civil service, personnel, or other merit system laws of any of the party states.

(6) The board may establish and maintain, independently or in conjunction with any one or more of the party states or their institutions or subdivisions, a suitable retirement system for its full-time employees. Employees of the board shall be eligible for social security coverage in respect of old age and survivors insurance provided that the board takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

(7) The board may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm, or corporation.

(8) The board may accept for any of its purposes and functions under this compact any and all donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm, or corporation, and may receive, utilize, and dispose of the same. The nature, amount, and conditions, if any, attendant upon any donation or grant accepted pursuant to this paragraph or upon any borrowing pursuant to paragraph (7) of this article, together with the identity of the donor, grantor, or lender, shall be detailed in the annual report of the board.

(9) The board may establish and maintain such facilities as may be necessary for the transacting of its business. The board may acquire, hold, and convey real and personal property and any interest therein.

(10) The board shall adopt bylaws and rules for the conduct of its business and shall have the power to amend and rescind these bylaws and rules. The board shall publish its bylaws and rules in convenient form and shall file a copy thereof, and shall also file a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

(11) The board annually shall make to the governor of each party state a report covering the activities of the board for the preceding year and embodying such recommendations as may have been adopted by the board, which report shall be transmitted to the legislature of said state. The board may issue such additional reports as it may deem desirable.

### Article III. Finances

(1) The board shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

(2) Each of the board's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by

each of the party states. Each of the board's requests for appropriations pursuant to a budget of estimated expenditures shall be apportioned equally among the party states. Subject to appropriation by their respective legislatures, the board shall be provided with such funds by each of the party states as are necessary to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the board.

(3) The board may meet any of its obligations in whole or in part with funds available to it under Article II, paragraph (8) of this compact, provided that the board takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the board makes use of funds available to it under Article II, paragraph (8) hereof, the board shall not incur any obligation prior to the allotment of funds by the party jurisdictions adequate to meet the same.

(4) Any expenses and any other costs for each member of the board in attending board meetings shall be met by the board.

(5) The board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the board shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the board shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become a part of the annual report of the board.

(6) The accounts of the board shall be open at any reasonable time for inspection to persons authorized by the board and duly designated representatives of governments contributing to the board's support.

## Article IV. Advisory Committees

The board may establish such advisory and technical committees as it may deem necessary, membership on which may include but not be limited to private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, medicine, education, voluntary health agencies, and officials of local, state, and federal government and may cooperate with and use the services of any such committees and the organizations which they represent in furthering any of its activities under this compact.

## Article V. Powers

The board shall have power to:

(1) encourage and promote cooperation among the party states in the development and utilization of nuclear and related technologies and their application to industry and other fields;

(2) ascertain and analyze on a continuing basis the position of the west with respect to the employment in industry of nuclear and related scientific findings and technologies;

(3) encourage the development and use of scientific advances and discoveries in nuclear facilities, energy, materials, products, byproducts, and all other appropriate adaptations of scientific and technological advances and discoveries;

(4) collect, correlate, and disseminate information relating to the peaceful uses of nuclear energy, materials, and products, and other products and processes resulting from the application of related science and technology;

(5) encourage the development and use of nuclear energy, facilities, installations, and products as part of a balanced economy;

(6) conduct or cooperate in conducting programs of training for state and local personnel engaged in any aspects of:

(a) nuclear industry, medicine, or education, or the promotion or regulation thereof;

(b) applying nuclear scientific advances or discoveries and any industrial commercial or other processes resulting therefrom;

(c) the formulation or administration of measures designed to promote safety in any matter related to the development, use, or disposal of nuclear energy, materials, products, byproducts, installations, or wastes, or to safety in the production, use, and disposal of any other substances peculiarly related thereto;

(7) organize and conduct, or assist and cooperate in organizing and conducting, demonstrations or research in any of the scientific, technological, or industrial fields to which this compact relates;

(8) undertake such nonregulatory functions with respect to nonnuclear sources of radiation as may promote the economic development and general welfare of the west;

(9) study industrial, health, safety, and other standards, laws, codes, rules, regulations, and administrative practices in or related to nuclear fields;

(10) recommend such changes in or amendments or additions to the laws, codes, rules, regulations, administrative procedures and practices or local laws or ordinances of the party states or their subdivisions in nuclear and related fields as in its judgment may be appropriate. Any such recommendations shall be made through the appropriate state agency with due consideration of the desirability of uniformity but shall also give appropriate weight to any special circumstances which may justify variations to meet local conditions.

(11) consider and make recommendations designed to facilitate the transportation of nuclear equipment, materials, products, byproducts, wastes, and any other nuclear or related substances, in such manner and under such conditions as will make their availability or disposal practicable on an economic and efficient basis;

(12) consider and make recommendations with respect to the assumption of and protection against liability actually or potentially incurred in any phase of operations in nuclear and related fields;

(13) advise and consult with the federal government concerning the common position of the party states or assist party states with regard to individual problems where appropriate in respect to nuclear and related fields;

(14) cooperate with the atomic energy commission, the national aeronautics and space administration, the office of science and technology, or any agencies successor thereto, any other officer or agency of the United States, and any other governmental unit or agency or officer thereof, and with any private persons or agencies in any of the fields of its interest;

(15) act as licensee, contractor, or subcontractor of the United States government or any party state with respect to the conduct of any research activity requiring such license or contract and operate such research facility or

undertake any program pursuant thereto, provided that this power shall be exercised only in connection with the implementation of one or more other powers conferred upon the board by this compact;

(16) prepare, publish, and distribute, with or without charge, such reports, bulletins, newsletters, or other materials as it deems appropriate;

(17) ascertain from time to time such methods, practices, circumstances, and conditions as may bring about the prevention and control of nuclear incidents in the area comprising the party states, to coordinate the nuclear incident prevention and control plans and the work relating thereto of the appropriate agencies of the party states and to facilitate the rendering of aid by the party states to each other in coping with nuclear incidents. The board may formulate and, in accordance with need from time to time, revise a regional plan or regional plans for coping with nuclear incidents within the territory of the party states as a whole or within any subregion or subregions of the geographic area covered by this compact. Any nuclear incident plan in force pursuant to this paragraph shall designate the official or agency in each party state covered by the plan who shall coordinate requests for aid pursuant to Article VI of this compact and the furnishing of aid in response thereto. Unless the party states concerned expressly otherwise agree, the board shall not administer the summoning and dispatching of aid, but this function shall be undertaken directly by the designated agencies and officers of the party states. The plan or plans of the board in force pursuant to this paragraph shall provide for reports to the board concerning the occurrence of nuclear incidents and the requests for aid on account thereof, together with summaries of the actual working and effectiveness of mutual aid in particular instances. From time to time, the board shall analyze the information gathered from reports of aid pursuant to Article VI and such other instances of mutual aid as may have come to its attention, so that experience in the rendering of such aid may be available.

(18) prepare, maintain, and implement a regional plan or regional plans for carrying out the duties, powers, or functions conferred upon the board by this compact;

(19) undertake responsibilities imposed or necessarily involved with regional participation pursuant to such cooperative programs of the federal government as are useful in connection with the fields covered by this compact.

### Article VI. Mutual Aid

(1) Whenever a party state or any state or local governmental authorities therein request aid from any other party state pursuant to this compact in coping with a nuclear incident, it shall be the duty of the requested state to render all possible aid to the requesting state which is consonant with the maintenance of protection of its own people.

(2) Whenever the officers or employees of any party state are rendering outside aid pursuant to the request of another party state under this compact, the officers or employees of such state shall, under the direction of the authorities of the state to which they are rendering aid, have the same powers, duties, rights, privileges, and immunities as comparable officers and employees of the state to which they are rendering aid.

(3) No party state or its officers or employees rendering outside aid pursuant to this compact shall be liable on account of any act or omission on their part while so engaged or on account of the maintenance or use of any equipment or supplies in connection therewith.

(4) All liability that may arise either under the laws of the requesting state or under the laws of the aiding state or under the laws of a third state on account of or in connection with a request for aid shall be assumed and borne by the requesting state.

(5) Any party state rendering outside aid pursuant to this compact shall be reimbursed by the party state receiving such aid for any loss or damage to or expense incurred in the operation of any equipment answering a request for aid and for the cost of all materials, transportation, wages, salaries, and maintenance of officers, employees, and equipment incurred in connection with such requests; provided that nothing herein contained shall prevent any assisting party state from assuming such loss, damage, expense, or other cost or from loaning such equipment or from donating such services to the receiving party state without charge or cost.

(6) Each party state shall provide for the payment of compensation and death benefits to injured officers and employees and the representatives of deceased officers and employees in case officers or employees sustain injuries or death while rendering outside aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within the state by or in which the officer or employee was regularly employed.

### Article VII. Supplementary Agreements

(1) To the extent that the board has not undertaken an activity or project which would be within its power under the provisions of Article V of this compact, any two or more of the party states, acting by their duly constituted administrative officials, may enter into supplementary agreements for the undertaking and continuance of such an activity or project. Any such agreement shall specify the purpose or purposes, its duration, and the procedure for termination thereof or withdrawal therefrom, the method of financing and allocating the costs of the activity or project, and such other matters as may be necessary or appropriate. No such supplementary agreement entered into pursuant to this article shall become effective prior to its submission to and approval by the board. The board shall give such approval unless it finds that the supplementary agreement or activity or project contemplated thereby is inconsistent with the provisions of this compact or a program or activity conducted by or participated in by the board.

(2) Unless all of the party states participate in a supplementary agreement, any cost or costs thereof shall be borne separately by the states party thereto. However, the board may administer or otherwise assist in the operation of any supplementary agreement.

(3) No party to a supplementary agreement entered into pursuant to this article shall be relieved thereby of any obligation or duty assumed by said party state under or pursuant to this compact, except that timely and proper performance of such obligation or duty by means of the supplementary agreement may be offered as performance pursuant to the compact.

(4) The provisions to this article shall apply to supplementary agreements and activities thereunder but shall not be construed to repeal or impair any authority which officers or agencies of party states may have pursuant to other laws to undertake cooperative arrangements or projects.

### Article VIII. Other Laws and Relations

Nothing in this compact shall be construed to:

(1) permit or require any person or other entity to avoid or refuse compliance with any law, rule, regulation, order, or ordinance of a party state or subdivision thereof now or hereafter made, enacted, or in force;

(2) limit, diminish, or otherwise impair jurisdiction exercised by the atomic energy commission, any agency successor thereto, or any other federal department, agency, or officer pursuant to and in conformity with any valid and operative act of congress or limit, diminish, affect, or otherwise impair jurisdiction exercised by any officer or agency of a party state, except to the extent that the provisions of this compact may provide therefor;

(3) alter the relations between the respective internal responsibilities of the government of a party state and its subdivisions;

(4) permit or authorize the board to own or operate any facility, reactor, or installation for industrial or commercial purposes.

### Article IX. Eligible Parties, Entry into Force and Withdrawal

(1) Any or all of the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming shall be eligible to become party to this compact.

(2) As to any eligible party state, this compact shall become effective when its legislature shall have enacted the same into law, provided that it shall not become initially effective until enacted into law by five states.

(3) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until 2 years after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall effect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

(4) Guam and American Samoa or either of them may participate in the compact to such extent as may be mutually agreed by the board and the duly constituted authorities of Guam or American Samoa, as the case may be. Such participation shall not include the furnishing or receipt of mutual aid pursuant to Article VI, unless that article has been enacted or otherwise adopted so as to have the full force and effect of law in the jurisdiction affected. Neither Guam nor American Samoa shall be entitled to voting participation on the board, unless it has become a full party to the compact.

### Article X. Severability and Construction

The provisions of this compact and of any supplementary agreement entered into hereunder shall be severable and if any phrase, clause, sentence, or provision of this compact or such supplementary agreement is declared to be contrary to the constitution of any participating state or of the United

States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact or such supplementary agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact or any supplementary agreement entered into hereunder shall be held contrary to the constitution of any state participating therein, the compact or such supplementary agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this compact and of any supplementary agreement entered into pursuant thereto shall be liberally construed to effectuate the purposes thereof.

**History: En. Sec. 1, Ch. 258, L. 1973; R.C.M. 1947, 82-4401.**

**Cross-References**

Nuclear regulation, Title 75, ch. 3.

Montana Major Facility Siting Act — approval by popular vote of certificate for nuclear facility, 75-20-201.

**90-5-202. Board member appointed by governor — compensation.** The governor shall appoint the board member. He shall report directly to the governor. The member, with the approval of the governor, may designate an alternate to represent the state when he is unable to do so. The member or his alternate may receive no compensation in addition to salary for his services as a member of the board but shall be reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503, as amended, incurred in the performance of his duties.

**History: En. Sec. 2, Ch. 258, L. 1973; amd. Sec. 21, Ch. 453, L. 1977; R.C.M. 1947, 82-4402.**

**Cross-References**

Powers and duties of Governor, 2-15-201.

**90-5-203. Bylaws and amendments filed with secretary of state.** Pursuant to Article II, paragraph (10), of the compact, the western interstate nuclear board shall file copies of the bylaws and amendments thereto with the secretary of state.

**History: En. Sec. 3, Ch. 258, L. 1973; R.C.M. 1947, 82-4403.**

**Cross-References**

Public records management, Title 2, ch. 6, part 2.

**90-5-204 through 90-5-210 reserved.**

**90-5-211. Declaration of policy.** It is hereby declared that the people of Montana are opposed to:

(1) the placement of MX missiles in Montana; and

(2) any further testing, development, or deployment of nuclear weapons by any nation.

**History: En. Sec. 1, I.M. No. 91, approved Nov. 2, 1982.**

## Part 3

## Employee Ownership Opportunity Act

**Part Compiler's Comments**

*Effective Date:* Section 8, Ch. 671, L. 1989, provided that this part is effective May 16, 1989.

**90-5-301. Short title.** This part may be cited as the "Employee Ownership Opportunity Act".
**History:** **En. Sec. 1, Ch. 671, L. 1989.**

**90-5-302. Employee ownership development policy.** It is the policy of this state to encourage the formation of employee-owned enterprises in order to stabilize local economies, to anchor business activity by increasing and broadening community investments, to increase productivity, and to encourage new capital formation through employee ownership.
**History:** **En. Sec. 2, Ch. 671, L. 1989.**

**90-5-303. Definitions.** As used in this part, the following definitions apply:

(1) "Employee-owned enterprise" means a business corporation that:

(a) requires that at least a majority of its employees:

(i) are vested with stock in the enterprise and all of whose vested employees are entitled to vote; and

(ii) own a majority of the shares which must be voted so that the vote of a majority of the employees control the vote of a majority of shares;

(b) requires that voting rights on corporate matters for shares held in trust for the employees pass through to those employees at least to the extent required by the voting requirements of section 409(e) of the Internal Revenue Code of 1986, as amended;

(c) provides vested employees the right to vote on corporate matters, including merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale; and

(d) requires that at least a majority of the members of the board of directors is elected by the employees of the enterprise.

(2) "Employee ownership group" means a group that may include a corporation, labor organization, or other groups of persons voluntarily affiliated for the purpose of actively engaging in an effort to establish an employee-owned enterprise.
**History:** **En. Sec. 3, Ch. 671, L. 1989.**

**90-5-304. Extension of business assistance services to employee-owned enterprises.** A business assistance program operated by the state must include employee-owned enterprises within the scope of its business assistance activities. An employee-owned enterprise is eligible for assistance, service, or financing available through any business assistance program receiving state money.
**History:** **En. Sec. 4, Ch. 671, L. 1989.**

**90-5-305. Department to offer employee ownership development services.** The department of commerce shall:

(1) compile, organize, and make available to the public a library of resources on the subject of employee ownership and participatory management;

(2) research the role of employee ownership in successful state and local economic development programs of other states;

(3) provide public education on the beneficial aspects of employee-owned enterprises;

(4) conduct seminars, workshops, and conferences to increase awareness of the benefits found to be common to employee-owned enterprises. At least one seminar must be held annually for public officials dealing with economic development, business assistance, and business financing programs.

(5) provide technical assistance and counseling on the establishment and management of employee-owned enterprises.

**History:** **En. Sec. 5, Ch. 671, L. 1989.**

# CHAPTER 6

# COMMUNITY IMPACT — PLANNING AND ABATEMENT

### Part 1 — Financing of Housing

90-6-101. Short title.
90-6-102. Legislative declaration.
90-6-103. Definitions.
90-6-104. General powers of the board.
90-6-105. Meetings and acts of the board.
90-6-106. Adoption of rules.
90-6-107. Deposit and expenditure of funds.
90-6-108. Financing programs of the board.
90-6-109. Procedure prior to financing of housing developments.
90-6-110. Supervision of housing sponsors.
90-6-111. Bonds and notes.
90-6-112. Provision of bond resolutions.
90-6-113. Validity of pledge.
90-6-114. Personal liability.
90-6-115. Purchase of notes and bonds — cancellation.
90-6-116. Trust indenture.
90-6-117. Negotiability of bonds.
90-6-118. Signatures of board members.
90-6-119. Reserve funds and appropriations.
90-6-120. Maintenance of capital reserve account.
90-6-121. Refunding obligations — issuance.
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90-6-123. Credit of state not pledged.
90-6-124. Annual audit.
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**Chapter Cross-References**

Legislative Auditor, 5-13-308.

Metropolitan sanitary and/or storm sewer district, Title 7, ch. 13, part 1.

Bonds — revenue, 17-6-103, 17-6-211.

Commercial paper, Title 30, ch. 3.

Pledges, 30-9-102, 71-2-101.

Secured transactions — filing of financing statement, 30-9-402.

Trust indentures — security, 71-1-303.

## Part 1

## Financing of Housing

**Part Cross-References**

Board of Housing, 2-15-1814.

County housing authorities, Title 7, ch. 15, part 21.

Urban renewal, Title 7, ch. 15, parts 42 and 43.

Municipal housing authorities, Title 7, ch. 15, parts 44 and 45.

Bond issues, Title 17, ch. 5.

Mortgages, 71-1-107.

**90-6-101. Short title.** This part shall be known and may be cited as the "Housing Act of 1975".

**History:** En. 35-501 by Sec. 1, Ch. 461, L. 1975; R.C.M. 1947, 35-501.

**90-6-102. Legislative declaration.** The legislature finds and declares that there is a shortage in Montana of decent, safe, and sanitary housing which is within the financial capabilities of lower income persons and families. In order to alleviate the high cost of housing for these persons, the legislature believes that it is essential that additional public moneys be made available through the issuance of revenue bonds to assist both private enterprise and governmental agencies in meeting critical housing needs.

**History:** En. 35-502 by Sec. 2, Ch. 461, L. 1975; R.C.M. 1947, 35-502.

**Cross-References**

Rate of interest on bonds to be determined by governing bodies — limitations and exceptions, 17-5-102.

**90-6-103. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Board" means the board of housing created in 2-15-1814.

(2) "Bond" means any bonds, notes, debentures, interim certificates, or other evidences of financial indebtedness issued by the board pursuant to this part, including those on which interest payments are taxable and those on which interest payments are tax exempt.

(3) "Capital reserve account" means the capital reserve account provided for in 90-6-107.

(4) "Department" means the department of commerce provided for in Title 2, chapter 15, part 18.

(5) "Federally insured mortgage" means a mortgage loan for land development or residential housing insured or guaranteed by the United States or a governmental agency or instrumentality thereof or a commitment by the United States or a governmental agency or instrumentalities thereof to insure such a mortgage.

(6) "Federally insured security" means an evidence of indebtedness insured or guaranteed as to repayment of principal and interest by the United States or an instrumentality thereof.

(7) "Governmental agency" means any department, division, public corporation, public agency, political subdivision, or other public instrumentality of the state, the federal government, any other state or public agency, or any two or more thereof.

(8) "Housing development" means single-family homes, multifamily projects, housing for the elderly projects, nursing home projects, personal care projects, and any work or undertaking financed in whole or in part under this part for the primary purpose of acquiring, constructing, or rehabilitating such accommodations for persons or families of lower income in need of housing. An undertaking may include any buildings, land, equipment, facilities, or other real or personal properties which are necessary, convenient, or desirable in connection therewith, including but not limited to streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities as the board determines to be necessary, convenient, or desirable.

(9) "Housing development costs" means the sum total of all costs incurred in a housing development approved by the board as reasonable and necessary, including but not limited to:

(a) cost of land acquisition and any buildings thereon, including payments for options, deposits, or contracts to purchase properties on the proposed housing development site or payments for the purchase of properties;

(b) cost of site preparation, demolition, and clearing;

(c) architectural, engineering, legal, accounting, corporation, and other fees paid or payable in connection with the planning, execution, and financing of the housing development and the finding of an eligible mortgagee or mortgagees for the housing development;

(d) cost of necessary studies, surveys, plans, and permits;

(e) insurance, interest, financing, tax and assessment costs, and other operating and carrying costs during construction;

(f) cost of construction, rehabilitation, reconstruction, fixtures, furnishings, equipment, machinery, apparatus, and similar facilities related to the real property;

(g) cost of land improvements, including landscaping and offsite improvements, whether or not the costs have been paid in cash or in a form other than cash;

(h) necessary expenses in connection with initial occupancy of the housing development;

(i) a reasonable profit and risk fee in addition to job overhead to the general contractor and, if applicable, a limited-profit housing sponsor;

(j) an allowance established by the board for working capital and contingency reserves and reserves for any anticipated operating deficits during construction and initial occupancy;

(k) costs of other items, including tenant relocation, as the board determines to be reasonable and necessary for the housing development, less any and all net rents and other net revenues received from the operation of the real and personal property on the development site during the construction.

(10) "Housing sponsor" means individuals, joint ventures, partnerships, limited partnerships, trusts, firms, associations, corporations, governmental agencies, limited-profit housing sponsors, nonprofit corporations, or other legal entities or any combination thereof that are:

(a) approved by the board;

(b) qualified either to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development;

(c) subject to the rules of the board and other terms and conditions set forth in this part.

(11) "Lending institution" means any public or private entity or governmental agency approved by the board maintaining an office in this state and authorized by law to make or participate in making residential mortgages in the state.

(12) "Limited-profit housing sponsor" means a corporation, trust, partnership, association, other entity, or an individual restricted as to distribution of income and regulated as to rents, charges, rate of return, and methods of operation as the board determines necessary to carry out this part.

(13) "Mortgage" means a mortgage deed, deed of trust, or other instrument which shall constitute a valid lien on real property in fee simple or on a leasehold under a lease having a remaining term at the time the mortgage is

acquired, which does not expire for at least that number of years beyond the maturity date of the obligation secured by the mortgage established by the board as necessary to protect its interest as mortgagee.

(14) "Mortgage loan" means an interest-bearing obligation secured by a mortgage on land and improvements in the state.

(15) "Nonprofit housing sponsor" means a housing cooperative formed under Title 35, chapter 15, or a nonprofit corporation formed under Title 35, chapter 2, restricted as to distribution of income and regulated as to rents, charges, rate of return, and methods of operation as the board determines necessary, and whose articles of incorporation provide in addition that:

(a) the organization has been organized exclusively to provide housing developments for persons and families of lower income;

(b) all the income and earnings of the organization shall be used exclusively for housing development purposes and no part of the net income or net earnings of the organization shall inure to the benefit or profit of any private individual, firm, corporation, partnership, or association;

(c) the organization is in no manner controlled or under the direction or acting in the substantial interest of any private individual, firm, partnership, or association seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any transactions therewith, except that the limitations shall apply to members of a cooperative only to the extent provided by rules of the board;

(d) the operations of the organization may be supervised by the board and the organization will enter into agreements with the board to regulate planning, development, and management of any housing development undertaken by the organization and the disposition of the property or other interests of the organization.

(16) "Persons and families of lower income" means persons and families with insufficient personal or family income or other financial resources who require assistance under this part, as determined by the board, taking into consideration:

(a) the amount of the total personal and family income, assets, and other financial resources available for housing needs;

(b) the size of the family;

(c) the eligibility of persons and families under federal housing assistance of any type based on lower income or a functional or physical disability;

(d) the ability of persons and families to compete successfully in the normal housing market and to pay the amount at which private enterprise is providing decent, safe, and sanitary housing;

(e) the availability and cost of housing in particular areas; and

(f) needs of particular persons or families due to age or physical handicaps.

(17) "Rehabilitation" means the repair, reconstruction, or improvement of an existing structure to provide decent, safe, and sanitary housing or to conform housing with state or local health, building, fire prevention, and safety codes as determined by the board.

**History:** **En. 35-503 by Sec. 3, Ch. 461, L. 1975; amd. Sec. 1, Ch. 163, L. 1977; R.C.M. 1947, 35-503; amd. Sec. 1, Ch. 357, L. 1979; amd. Sec. 11, Ch. 274, L. 1981; amd. Sec. 1, Ch. 90, L. 1983; amd. Sec. 1, Ch. 359, L. 1983.**

**Cross-References**

Federal Housing Administrator, 32-1-435.

Servicemen's Readjustment Act of 1944, 32-2-420.

National Housing Act loans, 32-2-501 through 32-2-503.

Mortgages, 71-1-107.

Reserve funds and appropriations, 90-6-119.

**90-6-104. General powers of the board.** The board may:

(1) sue and be sued;

(2) have a seal;

(3) adopt all procedural and substantive rules necessary for the administration of this part, including rules concerning its mortgage, construction, and temporary lending programs;

(4) make contracts, agreements, and other instruments necessary or convenient for the exercise of its powers under this part;

(5) enter into agreements or other transactions with any federal, state, or local governmental agency, any persons, and any domestic or foreign partnership, corporation, association, or organization in carrying out this part;

(6) enter into agreements under its rules with sponsors, mortgagors, or lending institutions for the purpose of regulating the analysis, planning, development, and management of housing developments financed in whole or in part by the proceeds of its loans or securities and mortgage purchase programs;

(7) enter into agreements or other transactions with, and accept grants and the cooperation of, any governmental agency in furtherance of this part, including but not limited to the development, leasing, maintenance, operation, and financing of any housing development;

(8) accept services, appropriations, gifts, grants, bequests, and devises and utilize or dispose of them in carrying out this part;

(9) acquire real or personal property or any right, interest, or easement therein by gift, purchase, transfer, foreclosure, lease, or otherwise; hold, sell, assign, lease, encumber, mortgage, or otherwise dispose thereof; hold, sell, assign, or otherwise dispose of any mortgage or loan owned by it or in its control or custody; release or relinquish any right, title, claim, interest, easement, or demand, however acquired, including any equity or right of redemption; do any of the foregoing by public or private sale, with or without public bidding; commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement; bid for and purchase property at any foreclosure or other sale or acquire or take possession of it in lieu of foreclosure; and operate, manage, lease, dispose of, and otherwise deal with such property in any manner necessary or desirable to protect its interests and the holders of its bonds or notes and consistent with any agreement with such holders;

(10) service and contract and pay for the servicing of loans;

(11) provide general technical services in the analysis, planning, design, processing, construction, rehabilitation, and management of housing developments for persons and families of lower income where these services are not otherwise available;

(12) provide general consultative services to housing developments for persons and families of lower income and the residents thereof with respect to counseling and training in management, home ownership, and maintenance where these services are not otherwise available;

(13) invest any funds not required for immediate use, subject to any agreements with its bondholders and noteholders, as provided in Title 17, chapter 6, except all investment income from funds of the board less the cost for investment as prescribed by law shall be deposited in the housing authority enterprise fund;

(14) sell its loans or securities to the federal national mortgage association or any other agency or instrumentality of the United States and invest in the capital stock issued by the association or other agency or instrumentality to the extent, if any, required as a condition of such sale;

(15) consent, whenever it deems it necessary or desirable in fulfilling its purposes, to the modification of the rate of interest, time, and payment of any installment of principal or interest, security, or any other term of any contract, mortgage, mortgage loan, mortgage loan commitment, construction loan, advance contract, or agreement of any kind, subject to any agreement with bondholders and noteholders;

(16) collect reasonable interest, fees, and charges in connection with making and servicing its loans, notes, bonds, commitments, and other evidences of indebtedness and in connection with providing technical, consultative, and project assistance services. Interest fees and charges shall be limited to the amounts required to pay the costs of the board, including operating and administrative expenses and reasonable allowances for losses which may be incurred.

(17) procure insurance against any loss in connection with its mortgages and mortgage loans and other assets or property in amounts and from insurers as the board considers desirable or necessary;

(18) act as agent for governmental agencies concerning acquisition, construction, leasing, operation, or management of a housing development;

(19) issue notes and bonds and replace lost, destroyed, or mutilated notes and bonds;

(20) develop special programs for housing developments for veterans of the armed forces of the United States who are unable to acquire safe and sanitary housing through lending institutions by conventional means; and

(21) lend money to the board of investments to establish the Montana economic development guaranty fund created by 17-5-1520.

**History: En. 35-504 by Sec. 5, Ch. 461, L. 1975; R.C.M. 1947, 35-504; amd. Sec. 1, Ch. 249, L. 1983; amd. Sec. 29, Ch. 686, L. 1983; amd. Sec. 31, Ch. 701, L. 1983; amd. Sec. 15, Ch. 581, L. 1987.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Economic development guaranty fund, 17-5-1520.

Adoption of rules, 90-6-106.

Financing programs of the Board, 90-6-108.

**90-6-105. Meetings and acts of the board.** (1) All meetings of the board are open to the public.

(2) All official acts of the board shall be in a regular or special meeting and by a majority of the board.

(3) All rules adopted by the board shall be in accordance with the Montana Administrative Procedure Act.

**History: En. 35-525 by Sec. 26, Ch. 461, L. 1975; R.C.M. 1947, 35-525.**

**Cross-References**
Montana Administrative Procedure Act, Title 2, ch. 4.

**90-6-106. Adoption of rules.** (1) The board shall adopt rules respecting the regulation of borrowers, the admission of occupants in housing developments, the construction of ancillary facilities, and requirements or restrictions necessary to implement this part.

(2) The board shall adopt rules for the:

(a) organization, approval, standards, and regulation of housing sponsors and eligible recipients;

(b) approval, standards, and regulation of lending institutions under this part;

(c) assessment, collection, and payment of all fees and charges in connection with making, purchasing, and servicing of its bonds and notes, mortgage lending, construction lending, temporary lending, and security purchase programs;

(d) assessment and collection of fees and charges in connection with its technical, consultative, and project assistance activities;

(e) determination and regulation of mortgagor and lending institution and their use of funds under this part, sponsor and mortgagor equity definitions and limitations, and housing development costs;

(f) percentage of housing units or housing developments assisted under this part that are reserved for lower income persons and families and which allows for an economic mixture of residents.

**History:** **En. 35-505 by Sec. 6, Ch. 461, L. 1975; R.C.M. 1947, 35-505(2), (3).**

**Cross-References**
General powers of the Board — rulemaking, 90-6-104(3).

**90-6-107. Deposit and expenditure of funds.** (1) There is a housing authority enterprise fund in the proprietary fund type as provided for in 17-2-102(1)(b). All funds from the proceeds of bonds issued under this part, fees, and other moneys received by the board, moneys appropriated by the legislature for the use of the board in carrying out this part, and moneys made available from any other source for the use of the board shall be deposited in the housing authority enterprise fund except where otherwise provided by law. All funds deposited in the housing authority enterprise fund, except funds appropriated by the legislature for use of the board in payment of expenses incurred in carrying out this part, are continuously appropriated to and may be expended by the board for the purposes authorized in this part.

(2) There is a capital reserve account in the housing authority enterprise fund provided for in subsection (1). The capital reserve account consists of the aggregate of moneys retained by the board under existing agreements with bondholders as the minimum capital reserve requirement described in 90-6-119 for each bond issue sold by the board.

(3) Funds appropriated by the legislature for use of the board in payment of expenses incurred in carrying out this part shall be deposited in the housing authority enterprise fund. Funds expended by the board under this subsection shall be repaid by the board from the fees and charges collected under

this part and from any other moneys available for such repayment in accordance with this part.

**History: En. 35-523 by Sec. 24, Ch. 461, L. 1975; R.C.M. 1947, 35-523; amd. Sec. 2, Ch. 249, L. 1983.**

**Cross-References**

Fund structure, 17-2-102.

**90-6-108. Financing programs of the board.** The board may:

(1) make loans to lending institutions under terms and conditions adopted by the board requiring the proceeds to be used by the lending institution for the making of mortgage loans for housing developments in the state for persons and families of lower income;

(2) invest in, purchase or make commitments to purchase, and take assignments from lending institutions of notes, mortgages, and other securities evidencing loans for the construction, rehabilitation, purchase, leasing, or refinancing of housing developments for persons and families of lower income in this state, under terms and conditions adopted by the board;

(3) make, undertake commitments to make, and participate in the making of mortgage loans, including federally insured mortgage loans, and make temporary loans and advances in anticipation of permanent mortgage loans to housing sponsors to finance the construction or rehabilitation of housing developments designed and planned for occupancy by persons and families of lower income in this state, under terms and conditions adopted by the board;

(4) make, undertake commitments to make, and participate in the making of loans to persons and families of lower income for housing development under terms and conditions adopted by the board, including without limitation persons and families of lower income who are eligible or potentially eligible for federally insured loans, federal mortgages, or other federal housing assistance, when the board determines that mortgage loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(5) require that loans made to or securities issued by lending institutions shall be additionally secured as to payment of principal and interest by a pledge of and a lien upon collateral security in amounts and consisting of obligations and securities as the board determines necessary to assure prompt payment of loans and interest. Collateral may be required to be lodged with a bank or trust company designated by the board as custodian, or the board may enter into an agreement with the lending institution requiring it to identify and maintain and service the collateral and the income therefrom solely in accordance with the agreement. A copy of each agreement and any revisions or supplements thereto shall be filed with the secretary of state, and no further filing or other action under the Uniform Commercial Code or any other law shall be required to perfect the security interest of the board in the collateral or in any additions or substitutions. The lien and trust is binding from the time it is made against all parties having claims of any kind in tort, contract, or otherwise against the lending institution.

**History: En. 35-505 by Sec. 6, Ch. 461, L. 1975; R.C.M. 1947, 35-505(1), (4).**

**Cross-References**

Security interest of collecting bank in items, accompanying documents, and proceeds, 30-4-208.

When filing is required to perfect security interest, 30-9-302.

Perfection of security interest in instruments, documents, and goods covered by documents, 30-9-304.

Liens, Title 71, ch. 3, part 1.

General powers of the Board, 90-6-104.

**90-6-109. Procedure prior to financing of housing developments.** (1) The board may finance housing developments under this part only when the board finds that:

(a) there exists a shortage of decent, safe, and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served by the proposed housing development;

(b) private enterprise has not provided an adequate supply of decent, safe, and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for housing developments for occupancy by persons or families of lower income;

(c) the housing sponsor undertaking the proposed housing development in this state will supply well planned, well designed housing, and such sponsors are financially responsible;

(d) the housing development to be assisted under this part will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, areawide plans, and other public desires;

(e) the housing development does not involve the construction of second homes (for purposes of this paragraph, "second home" means a home which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property); and

(f) as to direct loans it is necessary to qualify for federal funds.

(2) The findings required under subsection (1) must be made after a public hearing whenever the financing of housing relates to a development for rental units owned by a for-profit housing sponsor. The board shall conduct the hearing unless it directs the governing body of the local government in which the proposed housing development is to be located to conduct the hearing.

**History: En. 35-506 by Sec. 7, Ch. 461, L. 1975; R.C.M. 1947, 35-506; amd. Sec. 2, Ch. 359, L. 1983.**

**Cross-References**

Secured transactions — filing of financing statement, 30-9-402.

**90-6-110. Supervision of housing sponsors.** (1) The board may supervise housing sponsors of housing developments financed under this part as follows:

(a) prescribe uniform systems of accounts and records for housing sponsors and require them to make reports and give answers to specific questions on forms and at times specified by the board;

(b) enter upon and inspect the housing development and examine all books and records of the housing sponsor with respect to capitalization, income, and other matters as specified by the board;

(c) supervise the operation and maintenance of any housing development and order repairs necessary to protect the public and the board's interest or the health, welfare, or safety of the occupants;

(d) determine standards for and control resident selection by a housing sponsor;

(e) require any housing sponsor to pay to the board fees as it prescribes in connection with the examination, inspection, supervision, auditing, or other regulation of the housing sponsor;

(f) order any housing sponsor to do or to refrain from doing things necessary to comply with the provisions of law, the rules of the board, and the terms of any contract or agreement to which the housing sponsor is a party;

(g) regulate the retirement of any capital investment or the redemption of stock where any such retirement or redemption when added to any dividend or other distribution shall exceed in any one fiscal year 10% or a lesser amount of the original face amount of any investment or equity of any housing sponsor, as determined by the board; and

(h) adopt rules specifying the categories of cost which shall be allowable in the construction or rehabilitation of a housing development.

(2) The board shall require any housing sponsor to certify the actual housing development costs prior to periodic payments or upon completion of the housing development, subject to audit and determination by the board. The board may accept, in lieu of any certification of housing development costs, other assurances of the housing development costs, in any form or manner whatsoever, as will enable the board to determine with reasonable accuracy the amount of housing development costs.

**History: En. 35-507 by Sec. 8, Ch. 461, L. 1975; R.C.M. 1947, 35-507.**

**Cross-References**

State building code, Title 50, ch. 60, part 2.

**90-6-111. Bonds and notes.** (1) The board may by resolution, from time to time, issue negotiable notes and bonds in a principal amount as the board determines necessary to provide sufficient funds for achieving any of its purposes, including the payment of interest on notes and bonds of the board, establishment of reserves to secure the notes and bonds, including the reserve funds created under 90-6-119, and all other expenditures of the board incident to and necessary or convenient to carry out this part.

(2) The board may by resolution, from time to time, issue notes to renew notes and bonds to pay notes, including interest, and whenever it deems refunding expedient, refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds outstanding and partly for any of its other purposes.

(3) Except as otherwise expressly provided by resolution of the board, every issue of its notes and bonds shall be obligations of the board payable out of any revenues, assets, or moneys of the board, subject only to agreements with the holders of particular notes or bonds pledging particular revenues, assets, or moneys.

(4) The notes and bonds shall be authorized by resolutions of the board, shall bear a date, and shall mature at times as the resolutions provide. A note shall not mature more than 10 years and a bond shall not mature more than

50 years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination thereof. The notes and bonds shall bear interest at a rate or rates, be in denominations, be in a form, either coupon or registered, carry registration privileges, be executed in a manner, be payable in a medium of payment, at places within or without the state, and be subject to terms of redemption as provided in resolutions. The board shall designate whether interest payments on the bonds are taxable or tax exempt. The notes and bonds of the board may be sold at public or private sale at such prices, which may be above or below par, as are determined by the board.

(5) The total amount of notes and bonds outstanding at any time, except notes or bonds as to which the board's obligation has been satisfied and discharged by refunding or for which reserve for payment or other means of payment have been otherwise provided, may not exceed $975 million. The issue price of bonds sold at a discount, not the face amount of the bonds, counts against this statutory ceiling.

**History: En. 35-508 by Sec. 9, Ch. 461, L. 1975; R.C.M. 1947, 35-508; amd. Sec. 1, Ch. 518, L. 1979; amd. Sec. 1, Ch. 522, L. 1979; amd. Sec. 1, Ch. 53, L. 1981; amd. Sec. 1, Ch. 64, L. 1981; amd. Sec. 3, Ch. 359, L. 1983; amd. Sec. 1, Ch. 403, L. 1985.**

**Cross-References**

Rate of interest on bonds to be determined by governing bodies — limitations and exceptions, 17-5-102.

Refunding bonds, Title 17, ch. 5, part 3.

Provision of bond resolutions, 90-6-112.

Trust indenture, 90-6-116.

Signatures of Board members, 90-6-118.

**90-6-112. Provision of bond resolutions.** A resolution authorizing any notes or bonds, or any issue thereof, may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

(1) pledging all or any part of the revenues or property of the board to secure the payment of the notes or bonds or of any issue thereof, subject to existing agreements with noteholders or bondholders;

(2) pledging all or any part of the assets of the board, including mortgages and obligations securing them, to secure the payment of the notes or bonds or of any issue thereof, subject to existing agreements with noteholders or bondholders;

(3) the use and disposition of the gross income from mortgages owned by the board and payment of principal of mortgages owned by the board;

(4) the setting aside of reserves of sinking funds in the hands of trustees, paying agents, and other depositories and the regulation and disposition thereof;

(5) limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and the pledge of the proceeds to secure the payment of the notes or bonds or of any issue thereof;

(6) limitations on the issuance of additional notes or bonds, the terms upon which additional notes or bonds may be issued and secured, and the refunding of outstanding notes or bonds;

(7) the procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) a commitment to employ adequate and competent personnel at such reasonable compensation, salaries, fees, and charges as may be determined by

the board in conjunction with the department of commerce and to maintain suitable facilities and services for the purpose of carrying out its programs;

(9) vesting in a trustee property, rights, powers, and duties in trust as the board determines;

(10) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the board to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in the event of such default, including as a matter of right the appointment of a receiver. Rights and remedies shall not be inconsistent with the laws of the state and the other provisions of this part; and

(11) any other matters of like or different character which in any way affect the security or protection of the holders of the notes or bonds.

**History: En. 35-509 by Sec. 10, Ch. 461, L. 1975; R.C.M. 1947, 35-509; amd. Sec. 1, Ch. 143, L. 1979; amd. Sec. 11, Ch. 274, L. 1981.**

**Cross-References**

Pledges, 30-9-102, 71-2-101.

Trust administration, Title 72, ch. 34.

**90-6-113. Validity of pledge.** Any pledge made by the board shall be valid and binding from the time the pledge is made. The revenues, moneys, or property pledged and thereafter received by the board shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act. The lien of any pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the board, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

**History: En. 35-510 by Sec. 11, Ch. 461, L. 1975; R.C.M. 1947, 35-510.**

**Cross-References**

Pledges, 30-9-102, 71-2-101.

**90-6-114. Personal liability.** The board members and employees of the department are not personally liable or accountable by reason of the issuance of or on any bond or note issued by the board.

**History: En. 35-511 by Sec. 12, Ch. 461, L. 1975; R.C.M. 1947, 35-511.**

**90-6-115. Purchase of notes and bonds — cancellation.** The board, subject to existing agreements with noteholders or bondholders, may, out of any funds available for that reason, purchase notes or bonds of the board, which shall thereupon be cancelled, at a price not exceeding:

(1) the current redemption price plus accrued interest to the next interest payment thereon, if the notes or bonds are then redeemable; or

(2) the redemption price applicable on the first date after the purchase upon which the notes or bonds become subject to redemption plus accrued interest to that date, if the notes or bonds are not then redeemable.

**History: En. 35-512 by Sec. 13, Ch. 461, L. 1975; R.C.M. 1947, 35-512.**

**Cross-References**

Redemption of bonds — optional method, 17-5-105.

**90-6-116. Trust indenture.** (1) In the discretion of the board, the bonds may be secured by a trust indenture between the board and a corporate trustee, which may be a trust company or bank having the power of a trust company within or without the state. A trust indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders which are reasonable and proper and not in violation of law, including covenants setting forth the duties of the board in relation to the exercise of its powers and the custody, safeguarding, and application of all money. The board may provide by a trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under the trust indenture of another depository and for the method of disbursement, with safeguards and restrictions it considers necessary.

(2) All expenditures incurred in carrying out a trust indenture may be treated as part of the operating expenditures of the board.

**History: En. 35-513 by Sec. 14, Ch. 461, L. 1975; R.C.M. 1947, 35-513; amd. Sec. 4, Ch. 51, L. 1979.**

**Cross-References**

Trust indentures — security, 71-1-303.

**90-6-117. Negotiability of bonds.** Notes and bonds issued by the board are negotiable instruments under the Uniform Commercial Code, subject only to the provisions for registration of notes and bonds.

**History: En. 35-514 by Sec. 15, Ch. 461, L. 1975; R.C.M. 1947, 35-514.**

**Cross-References**

Commercial paper, Title 30, ch. 3.

**90-6-118. Signatures of board members.** In case any of the board members whose signatures appear on notes or bonds or coupons cease to be members before the delivery of the notes or bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the members had remained in office until delivery.

**History: En. 35-515 by Sec. 16, Ch. 461, L. 1975; R.C.M. 1947, 35-515.**

**90-6-119. Reserve funds and appropriations.** (1) The board shall pay into the capital reserve account:

(a) any funds appropriated and made available by the state for the purpose of the account;

(b) any proceeds of sale of notes or bonds to the extent provided in the resolutions or indentures of the board authorizing their issuance; and

(c) any other funds which may be available to the board for the purpose of the account from any other source.

(2) All funds held in the capital reserve account shall be used solely for the payment of the principal of bonds secured in whole or in part by the account or of the debt service payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payment of any redemption premium required to be paid when the bonds are redeemed prior to maturity. Funds in the account shall not be withdrawn at any time in an amount which reduces the amount of the account to less than the sum of minimum capital reserve requirements established for the account, except, with respect to bonds secured in whole or in part by the account, for the purpose of making payment, when due, of principal, interest, redemption premiums, and debt service payments for the payment of which

other moneys pledged are not available. Any income or interest earned by or incremental to the capital reserve account due to its investment may be transferred to other accounts of the board to the extent it does not reduce the amount of the capital reserve account below the sum of minimum capital reserve requirements for the account.

(3) The board may not issue bonds secured in whole or in part by the capital reserve account unless the board deposits in the account from the proceeds of the bonds issued or from any other sources an amount not less than the minimum capital reserve requirement for these bonds. For the purposes of this section, the term "minimum capital reserve requirement" means, as of any particular date of computation, an amount of money, as provided in the resolution or indenture of the board authorizing the bonds or notes, equal to not more than the greatest of the respective amounts for the current or any future fiscal year of the board of annual debt service on the bonds of the board secured in whole or in part by the account. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all interest and principal payable on the bonds during the fiscal year, calculated on the assumption that all the bonds are paid at maturity. If any amount of the bonds is required to be redeemed on an earlier date by the operation of a debt service fund, then that amount is considered payable on those bonds during the year they are to be redeemed for the purposes of this calculation.

(4) In computing the amount of the capital reserve account, securities in which all or a portion of the account shall be invested shall be valued at par or, if purchased at less than par, at their cost to the board.

**History: En. 35-516 by Sec. 17, Ch. 461, L. 1975; R.C.M. 1947, 35-516; amd. Sec. 3, Ch. 249, L. 1983.**

**Cross-References**
Fund structure, 17-2-102.
Fiduciary security transfers, Title 30, ch. 10, part 4.

**90-6-120. Maintenance of capital reserve account.** (1) In order to assure the maintenance of the capital reserve account, the chairman of the board shall on or before September 1 in the year preceding the convening of the legislature deliver to the governor a certificate stating the sum, if any, required to restore the capital reserve account to the minimum capital reserve requirement. The governor shall include in the executive budget submitted to the legislature the sum required to restore the capital reserve account to the sum of minimum capital reserve requirements. All sums appropriated by the legislature shall be deposited in the capital reserve account.

(2) All amounts appropriated to the board by the legislature under this section constitute advances to the board and, subject to the rights of the holders of any bonds or notes of the board, shall be repaid to the state's general fund without interest from available operating revenues of the board in excess of amounts required for the payment of bonds, notes, or other obligations of the board, for maintenance of the capital reserve account, and for operating expenses.

**History: En. 35-517 by Sec. 18, Ch. 461, L. 1975; R.C.M. 1947, 35-517.**

**Cross-References**
Budgeting, Title 17, ch. 7.
Accounts of the Board, 90-6-107.

**90-6-121. Refunding obligations — issuance.** The board may provide for the issuance of refunding obligations for refunding any obligations then outstanding which have been issued under this part, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption of the obligations. The issuance of obligations, the maturities and other details, the rights of the holders, and the rights, duties, and obligations of the board are governed by the appropriate provisions of this part which relate to the issuance of obligations.

**History:** **En. 35-518 by Sec. 19, Ch. 461, L. 1975; R.C.M. 1947, 35-518.**

**Cross-References**

Refunding bonds, Title 17, ch. 5, part 3.

**90-6-122. Refunding obligations — sale.** Refunding obligations issued as provided in 90-6-121 may be sold or exchanged for outstanding obligations issued under this part. The proceeds may be applied to the purchase, redemption, or payment of outstanding obligations. Pending the application of the proceeds of refunding obligations, with other available funds, to the payment of principal, accrued interest, and any redemption premium on the obligations being refunded and, if permitted in the resolution authorizing the issuance of the refunding obligations or in the trust agreement securing them, to the payment of interest on refunding obligations and expenses in connection with refunding, the proceeds may be invested as provided in Title 17, chapter 6.

**History:** **En. 35-519 by Sec. 20, Ch. 461, L. 1975; R.C.M. 1947, 35-519.**

**Cross-References**

Refunding bonds — sale of bonds and debentures, 17-5-305.

Deposits and investments, Title 17, ch. 6.

**90-6-123. Credit of state not pledged.** Obligations issued under the provisions of this part do not constitute a debt or liability or obligation or a pledge of the faith and credit of the state but are payable solely from the revenues or assets of the board. An obligation issued under this part shall contain on the face thereof a statement to the effect that the state of Montana is not liable on the obligation and the obligation is not a debt of the state and neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the obligation.

**History:** **En. 35-520 by Sec. 21, Ch. 461, L. 1975; R.C.M. 1947, 35-520.**

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

**90-6-124. Annual audit.** (1) There shall be an audit of the board's books and records at least once each fiscal year.

(2) The legislative auditor may conduct an audit at the request of the legislative audit committee.

**History:** **En. 35-521 by Sec. 22, Ch. 461, L. 1975; R.C.M. 1947, 35-521.**

**Cross-References**

Legislative Auditor, 5-13-308.

**90-6-125. Tax exemption of bonds.** Bonds, notes, or other obligations issued by the board under this part or by local housing authorities under Title

7, chapter 15, parts 21, 44, and 45, their transfer, and their income (including any profits made on their sale) shall be free from taxation by the state or any political subdivision or other instrumentality of the state, excepting inheritance, estate, and gift taxes. The board is not required to pay recording or transfer fees or taxes on instruments recorded by it.

**History: En. 35-522 by Sec. 23, Ch. 461, L. 1975; R.C.M. 1947, 35-522.**

**Cross-References**

Tax exempt property, Title 15, ch. 6, part 2.

Inheritance and estate taxes, Title 72, ch. 16.

**90-6-126. Pledge of the state.** In accordance with the constitutions of the United States and the state of Montana, the state pledges that it will not in any way impair the obligations of any agreement between the board and the holders of notes and bonds issued by the board, including but not limited to an agreement to administer a loan program financed by the issuance of bonds and to employ a staff sufficient and competent for this purpose.

**History: En. 35-524 by Sec. 25, Ch. 461, L. 1975; R.C.M. 1947, 35-524; amd. Sec. 2, Ch. 143, L. 1979.**

**Cross-References**

Ex post facto, obligation of contracts, and irrevocable privileges, Art. II, sec. 31, Mont. Const.

**90-6-127. Allocation of state limit.** (1) All of the aggregate amount of qualified mortgage bonds that may be issued during any calendar year in accordance with Section 103A(g) of the Internal Revenue Code of 1954, as amended is allocated to the board of housing.

(2) The board of housing may adopt standards for determining and may designate areas of chronic economic distress within the meaning of Section 103A(g) of the Internal Revenue Code of 1954, as amended.

**History: En. Sec. 1, Ch. 54, L. 1981.**

## Part 2

## Coal Impacts — Evaluation and Abatement Funding

**Part Cross-References**

Coal Tax Oversight Subcommittee, Title 5, ch. 18, part 2.

Montana Major Facility Siting Act, Title 75, ch. 20.

**90-6-201. Purpose.** The purposes of this part are to assist local governmental units which have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes, to assist in the construction and reconstruction of designated portions of highways which serve the area affected by such large-scale development, to support county land planning, and to invest a portion of the tax revenue from coal mines in a permanent fund, the income from which shall be used for the support of public schools throughout the state.

**History: En. 50-1701 by Sec. 1, Ch. 502, L. 1975; R.C.M. 1947, 50-1801.**

**Cross-References**

Public School Fund, Art. X, sec. 2, Mont. Const.

Disposal of severance taxes, 15-35-108.

**90-6-202. Accounts established.** (1) There is within the state special revenue fund a local impact account. Moneys are payable into this account under 15-35-108. The state treasurer shall draw warrants from this account upon order of the coal board.

(2) There is within the state special revenue fund a coal area highway improvement account.

**History: En. 50-1702 by Sec. 2, Ch. 502, L. 1975; R.C.M. 1947, 50-1802; amd. Sec. 47, Ch. 281, L. 1983; amd. Sec. 5, Ch. 662, L. 1987; amd. Sec. 46, Ch. 11, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* Deleted former (3) establishing the education trust fund account. Amendment effective August 11, 1989, and applies retroactively to July 1, 1989.

**Cross-References**

Fund structure, 17-2-102.

**90-6-203. Definition of coal board.** "Board" means the coal board provided for in 2-15-1821.

**History: En. 90-6-203 by Code Commissioner, 1979; amd. Sec. 4, Ch. 274, L. 1981.**

**90-6-204. Chairman, meetings, compensation, and facilities.** (1) The board shall elect a chairman from among its members.

(2) The board shall meet quarterly and may meet at other times as called by the chairman or a majority of the members.

(3) Members are entitled to compensation as provided for in 2-15-124(7).

(4) The department of commerce will provide suitable office facilities and the necessary staff for the coal board.

**History: En. 50-1705, 50-1708 by Secs. 6, 9, Ch. 502, L. 1975; R.C.M. 1947, 50-1805, 50-1808; amd. Sec. 6, Ch. 274, L. 1981.**

**90-6-205. Coal board — general powers.** The board may:

(1) retain professional consultants and advisors;

(2) adopt rules governing its proceedings;

(3) consider applications for grants from the local impact account;

(4) consider applications for loans from the local impact account for periods and interest rates to be determined by the board; and

(5) award grants and loans, subject to 90-6-207, from the local impact account:

(a) to local governmental units, state agencies, and governing bodies of federally recognized Indian tribes to assist local governmental units and federally recognized Indian tribes in meeting the local impact of coal development by enabling them to adequately provide governmental services and facilities which are needed as a direct consequence of coal development; and

(b) notwithstanding the provisions of 90-6-207, to the department of highways established in 2-15-2501 to expedite the construction, repair, and maintenance of deficient sections of highway within the area designated in 90-6-210 if the deficiency is the direct result of increased traffic accompanying the development of coal resources; and

(6) award a grant to a local government unit for the purpose of paying for part or all of the credit that the local government unit is obligated to give to

a major new industrial facility that has prepaid property taxes under 15-16-201. The board must award the grant in accordance with 90-6-206.

**History: En. 50-1706 by Sec. 7, Ch. 502, L. 1975; amd. Sec. 3, Ch. 540, L. 1977; R.C.M. 1947, 50-1806(part); (6)En. Sec. 1, Ch. 250, L. 1983; amd. Sec. 1, Ch. 690, L. 1983; amd. Sec. 1, Ch. 619, L. 1985; amd. Sec. 2, Ch. 715, L. 1985; amd. Sec. 2, Ch. 733, L. 1985; amd. Sec. 2, Ch. 5, Sp. L. June 1986; amd. Sec. 2, Ch. 19, Sp. L. June 1986; amd. Sec. 6, Ch. 662, L. 1987.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Disposal of severance taxes, 15-35-108.

Fund structure, 17-2-102.

Indian affairs — legislative policy, 90-11-101.

**90-6-206. Basis for awarding grants or loans.** (1) Grants and loans shall be awarded on the basis of:

(a) need;

(b) degree of severity of impact from the coal development;

(c) availability of funds; and

(d) degree of local effort in meeting these needs.

(2) In determining the degree of local effort, the board shall review the millage rates levied for the present fiscal year in relation to the average millage rates levied during the 3 years immediately preceding coal development in that area or 1970, whichever is later, which impacts the local government unit applying for assistance.

(3) Millage rates for the present fiscal year which are lower than the average millage rate levied during the 3 years immediately preceding coal development in that area or 1970, whichever is later, shall be deemed by the board to indicate the lack of local effort. The application under such circumstances may be rejected.

(4) Further, in determining the degree of local effort, the board shall consider the possibility of requiring that local government unit to increase its bonded indebtedness to provide all or part of the governmental service or facility which is needed as a direct consequence of coal development.

(5) To the extent funds are needed to evaluate and plan for the impact needs caused by coal development, consideration of bond issues and millage levies may be waived.

(6) To the extent the applicant has no history of mill levies, subsections (2) and (3) do not apply.

**History: En. 50-1706 by Sec. 7, Ch. 502, L. 1975; amd. Sec. 3, Ch. 540, L. 1977; R.C.M. 1947, 50-1806(part); amd. Sec. 1, Ch. 619, L. 1979; amd. Sec. 2, Ch. 690, L. 1983.**

**Cross-References**

Counties — use of bond proceeds and borrowed money, 7-6-2327.

Authorization for county mill levy, 7-6-2501.

Municipalities — use of bond proceeds and borrowed money, 7-6-4237.

Authorization for tax levy and collection by municipality, 7-6-4421.

**90-6-207. Priorities for impact grants.** (1) The department of commerce shall annually designate:

(a) each county, incorporated city and town, school district, and other governmental unit which has had or expects to have as a result of the impact of coal development a net increase in estimated population of at least 10% over one of the 3-year periods specified in subsection (4);

(b) each county and all local governmental units within each county in which:

(i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act has been granted by the department of state lands for a project within the county that will establish a new coal mine to produce at least 1 million tons a year or that will increase the production of an existing mine by at least 1 million tons a year and for which the department of commerce determines that the new or expanded production authorized by the permit will commence within 3 years of the designation; or

(ii) a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act has been granted by the board of natural resources and conservation for a steam-generating or other coal-burning facility that will consume at least 1 million tons a year of Montana-mined coal and for which the department of commerce determines the construction or operation will commence within 3 years of the designation;

(c) each local governmental unit located within 50 miles, measured over the shortest all-weather public road, of a mine or facility qualifying under subsection (1)(b)(i) or (1)(b)(ii); and

(d) each local governmental unit in which:

(i) a mine that has produced 1 million tons or more of coal a year and has ceased all significant mining or is scheduled to cease within 1 year; or

(ii) a steam-generating or other coal-burning facility that has operated under a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close within 1 year.

(2) Designation under subsection (1) of:

(a) any local governmental unit extends to and includes as a designated unit the county in which it is located; and

(b) a county extends to and includes as a designated unit any local governmental unit in the county that contains at least 10% of the total population of the county.

(3) Except as provided in 90-6-205(5)(b), the coal board shall, subject to the appropriations of the legislature, award at least 50% of all grants awarded to governmental units and state agencies for meeting the needs caused by coal development each year to these designated governmental units.

(4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods as follows:

(a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

(b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

(c) one consecutive 3-year period ending with the current calendar year;

(d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

(e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

(5) Attention should be given by the coal board to the need for community planning before the full impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth problems.

(6) All funds placed in the local impact account established under this part shall be subject to appropriations by the legislature for use related to local impact.

**History:** **En. 50-1707 by Sec. 8, Ch. 502, L. 1975; R.C.M. 1947, 50-1807; amd. Sec. 6, Ch. 274, L. 1981; amd. Sec. 1, Ch. 142, L. 1983; amd. Sec. 1, Ch. 462, L. 1985; amd. Sec. 2, Ch. 619, L. 1985; amd. Sec. 7, Ch. 662, L. 1987.**

**Cross-References**

Department of Commerce, 2-15-1801.

Functions of Department of Commerce — state planning, 90-1-102.

**90-6-208. Applications for grants or loans.** The governing body of a city, town, county, school district, any other local or state governmental unit or agency, or the governing body of a federally recognized Indian tribe may apply for a grant or a loan to enable it to provide governmental services which are needed as a direct consequence of coal development. The coal board shall prescribe the form for applications. Applicants shall describe the nature of their proposed expenditures and the time involved.

**History:** **En. 50-1709 by Sec. 10, Ch. 502, L. 1975; R.C.M. 1947, 50-1809(part); amd. Sec. 3, Ch. 690, L. 1983.**

**90-6-209. Limitations on grants and loans.** (1) The board may commit itself to the expenditure of funds for more than 1 year for a single project, as long as the grant or loan does not extend over more than 10 years and does not exceed reasonable revenue expectations. The total amount of grants and loans to state agencies, except grants made pursuant to 90-6-205(5)(b), and Indian tribes may not exceed 7% of the total money allocated to the board during each fiscal year.

(2) (a) No loan may be approved by the board if the source of money for repayment would be derived from property taxes. Repayment may be made from fees, rentals, admissions, use charges, and special assessments.

(b) The repayment period for loans approved by the board may not exceed 20 years.

(c) The board shall hold all loan contracts within its administrative offices. The board may not sell, assign, or pledge a loan contract to any other entity.

(d) A local government unit or the governing body of a federally recognized Indian tribe receiving a loan from the board shall use or commit for use the loan money within 1 year of the date of the board's final approval of the loan.

(e) If a local government unit or the governing body of a federally recognized Indian tribe fails to comply with subsection (2)(d), the entire loan must be repaid within 30 days following expiration of the 1-year period.

(3) No loan or grant to an Indian tribe under 90-6-205 may be approved by the board unless, with respect to that loan or grant:

(a) the governing body of the tribe has agreed:

(i) to waive its immunity from suit on any issue specifically arising from the transaction of a loan or grant obtained under this part; and

(ii) to the adjudication of any dispute arising out of the loan or grant transaction in the district court of the first judicial district of the state of Montana; and

(b) approval of the transaction has been obtained from the secretary of the United States department of the interior whenever such approval is necessary.

**History: En. 50-1709 by Sec. 10, Ch. 502, L. 1975; R.C.M. 1947, 50-1809(part); amd. Sec. 4, Ch. 690, L. 1983; (2) En. Sec. 5, Ch. 690, L. 1983; (3) En. Sec. 6, Ch. 690, L. 1983; amd. Sec. 1, Ch. 420, L. 1985; amd. Sec. 3, Ch. 619, L. 1985.**

**Cross-References**

Jurisdiction on Indian lands, Title 2, ch. 1, part 3.

**90-6-210. Coal area highway reconstruction program.** (1) The department of highways, within the area designated as the eastern Montana coal field economic growth center as certified to the secretary of transportation by the governor under section 143, Title 23, United States Code, shall prepare a special construction program for the reconstruction of deficient sections of these highways in consultation with the governing bodies of the counties in the area.

(2) The department of highways shall expedite the planning and reconstruction program for projects on the designated portions within this area by using funds allocated under this subsection and any federal funds that may be made available to match such funds. Until federal funds are made available to match the funds allocated under this subsection, the department of highways may, upon approval of the Montana state highway commission, expend such funds for planning and reconstruction projects with or without assurance from the federal government that unmatched state expenditures will be retroactively recognized for matching purposes.

(3) Funds allocated under this subsection shall not be used to match apportionments made for primary and secondary highways under the Federal-Aid Highway Acts; however, nothing in this subsection should be construed to prohibit the implementation of projects otherwise funded by apportionments made under the Federal-Aid Highway Acts; furthermore, planning and reconstruction projects may be financed in whole or in part by public and private funds provided such projects conform to the applicable standards, regulations, and procedures of the department of highways and the federal highway administration.

**History: En. 50-1703 by Sec. 4, Ch. 502, L. 1975; amd. Sec. 2, Ch. 540, L. 1977; R.C.M. 1947, 50-1803(2) thru (4); amd. Sec. 1, Ch. 542, L. 1981.**

**Cross-References**

Federal-aid funds, Title 60, ch. 3, part 1.

Purpose, 90-6-201.

Accounts established — Coal Area Highway Improvement Account, 90-6-202.

**90-6-211.** *(Temporary)* **Disposition of interest from balance — education trust.** The balance in the education trust fund account shall be invested as provided by statute by the board of investments. Of the income from such investments each year 10% shall be paid into the state special revenue fund for use by the superintendent of public instruction for purposes of adult basic education programs in the state and for use by the board of regents for vocational-technical center education programs in the state, as provided in the biennium budget passed by the legislature. Within the account under 20-9-513, the revenue is shared between the vocational-technical centers and the adult basic education programs as provided in the biennium budget passed by the legislature. Of the remaining 90% of the income from such investments, three-fourths shall be annually paid into the state special revenue fund for state equalization aid to public schools of the state and one-fourth each year shall be paid to the board of regents of higher education for use by the institutions of higher learning in the state, subject to the budgeting authority of the legislature. Beginning July 1, 1989, the principal of the education trust fund shall be dedicated to education and forever remain inviolate and sacred to this purpose as provided in sections 3 and 10 of Article X of the Montana constitution. *(Repealed effective July 1, 1990—sec. 94, Ch. 11, Sp. L. June 1989.)*

**History: En. 50-1710 by Sec. 11, Ch. 502, L. 1975; R.C.M. 1947, 50-1810; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 2, Ch. 384, L. 1983; amd. Sec. 26, Ch. 658, L. 1987; amd. Sec. 8, Ch. 662, L. 1987.**

**Cross-References**

Investments, Title 17, ch. 6, part 2.

State policy for adult basic education, 20-7-711.

**90-6-212. Local impact account — disposition of loan repayments, interest, and unexpended balances.** (1) The money derived from loans made pursuant to this part, including interest thereon, must be deposited to the credit of the local impact account created in 90-6-202.

(2) The unexpended money in the local impact account must be invested by the board of investments as provided by statute. Interest and earnings must be deposited to the credit of the state special revenue fund for state equalization aid to public schools of the state.

(3) The unexpended balance in the local impact account at the end of each biennium must be deposited to the credit of the state special revenue fund for state equalization aid to public schools of the state.

**History: En. Sec. 9, Ch. 662, L. 1987; amd. Sec. 47, Ch. 11, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* At end of (2) and (3) substituted "state special revenue fund for state equalization aid to public schools of the state" for "education trust fund account". Amendment effective August 11, 1989, and applies retroactively to July 1, 1989.

## Part 3

## Hard-Rock Mining Impact

**Part Cross-References**

Duty to notify weed management district when proposed project will disturb land, 7-22-2152.

Disposition of metalliferous mines license tax, 15-37-117.

Mining generally, Title 82, ch. 2.

Reclamation, Title 82, ch. 4.

**90-6-301. Declaration of necessity and purpose.** The large-scale development of mineral deposits in the state may cause an influx of people directly related to the area of the development. This influx of people and the corresponding increase in demand for local government facilities and services may create a burden on the local taxpayer. There is a significant lag time between the time when additional facilities and services must be provided and the time when additional tax revenue is available as a result of the increased tax base. In addition, local government units in whatever jurisdiction the development is not located may receive substantial adverse economic impacts without benefit of a major increased tax base in the future. There is therefore a need to provide a system to assist local government units in meeting the initial financial impact of large-scale mineral development.

**History: En. Sec. 2, Ch. 617, L. 1981; amd. Sec. 2, Ch. 311, L. 1987.**

**Cross-References**

Estimate of economic impact, 2-4-405.

Montana Environmental Policy Act, Title 75, ch. 1.

Montana Major Facility Siting Act, Title 75, ch. 20.

**90-6-302. Definitions.** In this part the following definitions apply:

(1) "Board" means the hard-rock mining impact board established in 2-15-1822.

(2) "Bonds" include bonds, notes, warrants, debentures, certificates of indebtedness, temporary bonds, temporary notes, interim receipts, interim certificates, and all instruments or obligations evidencing or representing indebtedness or evidencing or representing the borrowing of money or evidencing or representing a charge, lien, or encumbrance on specific revenues, special assessments, income, or property of a political subdivision, including all instruments or obligations payable from a special fund.

(3) "Local government unit" means a county, city, town, school district, or any of the following independent special districts:

(a) rural fire district;

(b) public hospital district;

(c) refuse disposal district;

(d) county water and sewer district;

(e) county water district; or

(f) county sewer district.

(4) "Large-scale mineral development" means the construction or operation of a hard-rock mine and the associated milling facility for which a permit is applied for under 82-4-335 on or after May 18, 1981, and for which the average number of persons on the payroll of the mineral developer and of contractors at the mineral development exceeds or is projected to exceed 75 for any consecutive 6-month period. A mining operation that would qualify as a large-scale mineral development under this subsection is not a large-scale mineral development if the mine owner and operator are small miners as defined in 82-4-303.

**History: En. Sec. 3, Ch. 617, L. 1981; amd. Sec. 8, Ch. 453, L. 1985; amd. Sec. 4, Ch. 582, L. 1985.**

**90-6-303. Chairman — meetings — facilities — funding.** (1) The board shall elect a chairman from among its members.

(2) The board shall meet as necessary or as called by the chairman or a majority of the members.

(3) The board is allocated to the department of commerce for administrative purposes only as provided in 2-15-121.

(4) The administrative and operating expenses of the board shall be paid from revenue deposited to the credit of the hard-rock mining impact trust account from the license tax on metal mines imposed under Title 15, chapter 37.

**History: En. Sec. 4, Ch. 617, L. 1981; amd. Sec. 7, Ch. 619, L. 1983.**

**90-6-304. Accounts established.** (1) There is within the state special revenue fund a hard-rock mining impact account. Moneys are payable into this account from payments made by a mining developer in compliance with the written guarantee from the developer to meet the increased costs of public services and facilities as specified in the impact plan provided for in 90-6-307. The state treasurer shall draw warrants from this account upon order of the hard-rock mining impact board.

(2) There is within the state special revenue fund a hard-rock mining impact trust account. Money is payable into this account under the provisions of 15-37-117. After deducting the administrative and operating expenses of the board as provided in 90-6-303, money must be segregated within the account by county of origin. The state treasurer shall draw warrants from this account upon order of the hard-rock mining impact board. If money available to pay administrative and operating expenses is insufficient, the board may apply for supplemental money from the general fund.

**History: En. Sec. 5, Ch. 617, L. 1981; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 8, Ch. 619, L. 1983; amd. Sec. 14, Ch. 672, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2) inserted last sentence relating to availability of supplemental money from general fund to pay administrative and operating expenses of the Board. Amendment effective May 16, 1989.

*Effective Date — Retroactive Applicability:* Section 23, Ch. 672, L. 1989, provided: "[This act] is effective on passage and approval [approved May 16, 1989] and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988."

**Cross-References**

Fund structure, 17-2-102.

Warrants, Title 17, ch. 8, part 3.

Hard-rock mining account, 82-4-311.

Fund transfer, 90-6-331.

**90-6-305. Hard-rock mining impact board — general powers.** (1) The board may:

(a) retain professional staff, consultants, and advisors notwithstanding the provisions of 2-15-121;

(b) adopt rules governing its proceedings, determinations, and administration of this part;

(c) award grants to local government units subject to 90-6-306;

(d) make payments to local government units from money paid to the hard-rock mining impact account as provided in 90-6-307;

(e) make determinations as provided in 90-6-307; and

(f) accept grants and other funds to be used in carrying out this part.

(2) The provisions of the Montana Administrative Procedure Act apply to the proceedings and determinations of the board.

**History: En. Sec. 6, Ch. 617, L. 1981; amd. Sec. 2, Ch. 489, L. 1983; amd. Sec. 9, Ch. 619, L. 1983; amd. Sec. 15, Ch. 672, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Deleted former (1)(d) that read: "(d) award grants or loans to local government units from money paid into the hard-rock mining impact trust account subject to the provisions of 90-6-321 and 90-6-322"; and in (1)(e) deleted "90-6-321, and 90-6-322". Amendment effective May 16, 1989.

*Effective Date — Retroactive Applicability:* Section 23, Ch. 672, L. 1989, provided: "[This act] is effective on passage and approval [approved May 16, 1989] and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988."

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

Adoption and publication of rules, Title 2, ch. 4, part 3.

**90-6-306. Basis for awarding grants.** Grants shall be awarded to local government units on the basis of:

(1) need;
(2) severity of impact from mineral development;
(3) availability of funds; and
(4) extent of local effort in meeting its needs.

**History: En. Sec. 7, Ch. 617, L. 1981; amd. Sec. 10, Ch. 619, L. 1983; amd. Sec. 16, Ch. 672, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning, after "Grants", deleted "including those from the hard-rock mining impact trust account". Amendment effective May 16, 1989.

*Effective Date — Retroactive Applicability:* Section 23, Ch. 672, L. 1989, provided: "[This act] is effective on passage and approval [approved May 16, 1989] and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988."

**90-6-307. Impact plan to be submitted.** (1) After an application for a permit for a large-scale mineral development is made under 82-4-335, the person seeking the permit shall submit to the affected counties and the board an impact plan describing the economic impact the large-scale mineral development will have on local government units and shall file proof of such submission to the counties with the board. Whenever an environmental impact statement on the permit application is prepared under 75-1-201, the lead agency shall cooperate to the fullest extent practicable with the affected local government units to eliminate duplication of effort in data collection. The governing bodies of the affected counties shall publish notice of the submission of an impact plan at least once in a newspaper of general circulation in the county. The mineral developer and the affected local government units shall ensure that the impact plan includes:

(a) a timetable for development, including the opening date of the development and the estimated closing date;

(b) the estimated number of persons coming into the impacted area as a result of the development;

(c) the increased capital and operating cost to local government units for providing services which can be expected as a result of the development;

(d) the financial or other assistance the developer will give to local government units to meet the increased need for services.

(2) In the impact plan, the developer shall commit itself to pay all of the increased capital and net operating cost to local government units that will be a result of the development, as identified in the impact plan, either from tax prepayments, as provided in 90-6-309, special industrial educational impact bonds, as provided in 90-6-310, or other funds obtained from the developer, and shall provide a time schedule within which it will do so. The plan may provide for funding from other revenue sources or funding mechanisms if the developer guarantees that the amount to be provided from these sources will be paid.

(3) Upon request of the governing body of an affected unit of local government, the mineral developer, prior to the end of the 90-day review period, shall provide financial or other assistance as necessary to prepare for and evaluate the impact plan. The governing body of the affected county must contract with the developer to obtain the requested financial assistance for each unit of local government within the county. Any disbursements to a unit of local government under this subsection shall be credited against future tax liabilities, if any.

(4) The governing body of the county where the fiscal impacts on local government units are forecasted in the impact plan to be most costly shall, within 90 days after receipt of the impact plan from the developer, conduct a public hearing on the impact plan.

(5) An affected local government unit that has not been identified in an impact plan submitted to the board as being likely to experience increased capital and operating costs for providing services which can be expected as a result of the development may object to the impact plan under the provisions of this section if the local government unit clearly demonstrates that it is likely to experience increased capital and operating costs from the mineral development.

(6) An affected local government unit shall, within 90 days after receipt of the impact plan from the developer, notify the board in writing if that local government unit objects to the impact plan, specifying the reasons why the impact plan is objected to. During the 90-day period, an affected local government unit may petition for one 30-day extension by submitting a written request to the board stating the need and justification for the extension. The board shall grant the extension unless it finds there is no reasonable basis for the request. If no objection is received within the 90-day period or any extension thereof, the impact plan is approved without any review by the board. An approved plan is binding and may only be altered under the amendment provisions of 90-6-311.

(7) If objections are received from a local government unit, the board shall, within 10 days, notify the developer and forward a copy of the local government unit's objections to the developer. The local government unit and the developer have 30 days, or a longer period if both the local government unit and the developer request an extension, to resolve the objection. If the objections are not resolved, the board shall conduct a hearing on the validity of the objections, which shall be held in the affected county or, if objections are received from local government units in more than one county, shall be held in the county which, in the board's judgment, is more greatly affected. The provisions of the Montana Administrative Procedure Act shall apply to the conduct of the hearing. The impact plan filed by the developer shall carry no presumption of correctness at the hearing.

(8) Following the hearing, the board shall, within 60 days, make findings as to those portions of the impact plan which were objected to and, if appropriate, amend the impact plan accordingly. The findings and impact plan, as amended, shall be served by the board upon all parties. Any local government unit or the developer, if aggrieved by the decision of the board, is entitled to judicial review, as provided by Title 2, chapter 4, part 7, in the district court in and for the judicial district in which the hearing was held.

(9) The developer shall, within 30 days of receipt of the approved impact plan, provide the board with a written guarantee that the developer will meet the increased costs of public services and facilities as specified in the approved impact plan and according to the time schedule contained in the approved impact plan.

(10) The developer may make payments as specified in the approved impact plan directly to a local government unit or to the board. The governing body of a local government unit receiving payments shall deposit the payments into an impact fund. The developer and the affected governing body

shall each issue to the board written verification of each payment and its intended use in compliance with the impact plan. The board shall deposit payments received from a developer into the hard-rock mining impact account established by 90-6-304.

(11) The board shall notify the department of state lands of its receipt of the written guarantee of payment and of any failure of the developer to comply with this section.

(12) Upon receipt of evidence that an affected local government unit identified in the approved impact plan is providing or is preparing to provide an additional service or facility provided for in the approved impact plan, the board shall, if the hard-rock mining impact account is used to deliver payments to the local government unit, pay to that local government unit, in one sum or in parts, the money from the hard-rock mining impact account identified in the plan as the increased cost to the local government unit of providing that public service or facility.

(13) If it is determined that an objection filed by an affected local government unit under subsections (5) and (6) or 90-6-311(3) is valid and it results in some remedial order by the board or court of competent jurisdiction, the local government unit shall be awarded and the developer shall pay reasonable costs and attorney fees associated with any administrative or judicial appeals filed under this section. Any attorney fees and costs awarded shall be in addition to any amounts paid by the developer under this part.

(14) Upon a determination by the department of state lands that a permittee under 82-4-335 has become or will become a large-scale mineral developer, the permittee may petition the board for a waiver of the impact plan requirement. The board may grant a waiver or conditional waiver of this requirement only if it has provided notice and opportunity for hearing to the permittee and to all affected local government units. The board shall adopt criteria under which a waiver may be granted. A waiver issued by the board may be revoked as provided in the conditional waiver or if the permittee and contractors at the mineral development increase their payrolls from the date of the waiver by 75 or more persons, provided the revocation is requested by an affected local government unit and notice and opportunity for hearing are given to the permittee and all affected local government units. The board shall notify the board of land commissioners of any waiver that has been revoked.

(15) When a person who holds an operating permit under 82-4-335 and who has filed an impact plan fails to comply with the review and implementation requirements in this part and part 4 of this chapter, the board shall certify to the board of land commissioners that the failure to comply has occurred and shall certify when a permittee who has previously failed to comply comes into compliance.

**History:** **En. Sec. 8, Ch. 617, L. 1981; amd. Sec. 3, Ch. 489, L. 1983; amd. Sec. 4, Ch. 24, L. 1985; amd. Sec. 5, Ch. 582, L. 1985; amd. Sec. 3, Ch. 311, L. 1987.**

**Cross-References**

Notice — actual and constructive, 1-1-217.

Requirements for compliance with notice provisions, 2-3-104.

Hearing — rules of evidence, cross-examination, judicial notice, 2-4-612.

Local government — general provisions related to services, Title 7, ch. 11.

Local government — utility services, Title 7, ch. 13.

Local government — culture, social services, and recreation, Title 7, ch. 16.

Local government — general emergency and protective services, Title 7, ch. 31.

Allowable costs, Title 25, ch. 10, part 2.

Attorneys' fees, Title 25, ch. 10, part 3.

**90-6-308. Permit procedure and review of impact plan to run concurrently.** It is intended that the procedure for fulfilling the permit requirement of 82-4-335 and the review of the impact plan by the board under 90-6-307(5) and (6), if review occurs, are to run concurrently.

**History: En. Sec. 9, Ch. 617, L. 1981; amd. Sec. 4, Ch. 311, L. 1987.**

**90-6-309. Tax prepayment — large-scale mineral development.** (1) After permission to commence operation is granted by the appropriate governmental agency, and upon request of the governing body of a county in which a facility is to be located, a person intending to construct or locate a large-scale mineral development in this state shall prepay property taxes as specified in the impact plan. This prepayment shall exclude the 6-mill university levy established under 20-25-423 and may exclude the mandatory county levies for the school foundation program established in 20-9-331 and 20-9-333.

(2) The person who is to prepay under this section is not obligated to prepay the entire amount established in subsection (1) at one time. Upon request of the governing body of an affected local government unit, the person shall prepay the amount shown to be needed from time to time as determined by the board.

(3) The person who is to prepay shall guarantee to the hard-rock mining impact board, through an appropriate financial institution, as may be required by the board, that property tax prepayments will be paid as needed for expenditures created by the impacts of the large-scale mineral development.

(4) When the mineral development facilities are completed and assessed by the department of revenue, they are subject during the first 3 years and thereafter to taxation as all other property similarly situated, except that in each year after the start of production, the local government unit that received a property tax prepayment shall provide for repayment of prepaid property taxes in accordance with subsection (5).

(5) A local government unit that received all or a portion of the property tax prepayment under this section shall provide for tax crediting as specified in the impact plan. The tax credit allowed in any year may not, however, exceed the tax obligation of the developer for that year, and the time period for tax crediting is limited to the productive life of the mining operation.

**History: En. Sec. 10, Ch. 617, L. 1981; amd. Sec. 4, Ch. 489, L. 1983; amd. Sec. 6, Ch. 582, L. 1985; amd. Sec. 48, Ch. 11, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* In (1), after "university levy" inserted "established under 20-25-423" and after "foundation program" substituted "established in 20-9-331 and 20-9-333" for "of 45 mills"; and made minor changes in phraseology. Amendment effective August 11, 1989, and applies retroactively to July 1, 1989.

**Cross-References**

Property tax levies, Title 15, ch. 10.

Tax prepayment — new industrial facilities, 15-16-201.

**90-6-310. Education impact bonds.** (1) When the need for new school facilities is determined, the owners of a large-scale mineral development may enter into a written agreement with the trustees of a school district that has the burden for the issuance of bonds to cover the cost of such new construction. The trustees of a school district may execute a written agreement with the owner of a large-scale mineral development for the issuance of any special industrial educational impact bonds provided for in this section.

(2) The agreement with the owners of a large-scale mineral development shall provide for a payment guarantee, in addition to the taxes imposed by the school district on property owners generally, of the principal and interest on the bonds provided for in this section. Payment will then be made by an annual special tax levy on the property of the large-scale mineral development sufficient to retire the principal and interest on these special impact bonds. The bonds shall not be an obligation of the trustees or the school district.

(3) The debt limits set forth in 20-9-406 and the provisions of 20-9-410 and 20-9-421 through 20-9-432, inclusive, do not apply to bonds issued in accordance with this section. The interest on such bonds shall not be subject to state taxes.

**History: En. Sec. 11, Ch. 617, L. 1981.**

**Cross-References**

Bond issues, Title 17, ch. 5.

Bond issues for certain purposes, 20-9-403.

Purpose and authorization of building reserve fund by an election, 20-9-502.

**90-6-311. Impact plan amendments.** (1) The impact plan may provide for amendment under definite conditions specified in the plan. Also, the governing body of an affected county or the mineral developer may petition the board for an amendment to an approved impact plan if:

(a) employment at the large-scale mineral development is forecast to increase or decrease by at least 75 persons, as determined under 90-6-302(4), over or under the employment levels contemplated by the approved impact plan; or

(b) it becomes apparent that an approved impact plan is materially inaccurate because of errors in assessment and 2 years have not elapsed since the date the facility begins commercial production; or

(c) the governing body of an affected county and the mineral developer join in a petition to amend the impact plan.

(2) Within 10 days of receipt the board shall publish notice of the petition at least once in a newspaper of general circulation in the affected county. The petition must include:

(a) an explanation of the need for an amendment;

(b) a statement of the facts and circumstances underlying the need for an amendment; and

(c) a description of the corrective measures proposed by the petitioner.

(3) Within 60 days after notice that the petition has been received, an affected local government unit or the mineral developer must notify the board in writing if such person objects to the amendments proposed by the petitioner, specifying the reasons why the impact plan should not be amended as proposed. If no objection is received within the 60-day period, the impact plan must be amended by the board as proposed by the petitioner.

(4) If an objection is received, within 10 days of its receipt, the board shall notify the petitioner and include a copy of all objections received by the board. If the objecting party and the petitioner cannot resolve the objections within 30 days after the expiration of the 60-day period, the board shall conduct a hearing on the validity of the objections within 30 days after the failure of the parties to resolve the objections. The hearing must be held in the

affected county or, if objections are received from local government units in more than one county, must be held in the county which in the board's judgment is more greatly affected. The provisions of the Montana Administrative Procedure Act apply to the conduct of the hearing.

(5) Following the hearing, the board shall make findings as to those portions of the amendments which were objected to and, if appropriate, amend the impact plan accordingly. The board shall cause the findings and impact plan, as amended, to be served on all parties. Any local government unit or the developer is entitled to judicial review, as provided by Title 2, chapter 4, part 7, in the district court for the judicial district in which the hearing was held.

**History: En. Sec. 5, Ch. 489, L. 1983; amd. Sec. 7, Ch. 582, L. 1985.**

**Cross-References**

Notice and opportunity to be heard, Title 2, ch. 3, part 1.

Contested cases — informal hearings, 2-4-603.

Contested cases — hearing, 2-4-612.

**90-6-312 through 90-6-320 reserved.**

**90-6-321. Repealed.** Sec. 21, Ch. 672, L. 1989.

**History: En. Sec. 2, Ch. 619, L. 1983.**

**90-6-322. Repealed.** Sec. 21, Ch. 672, L. 1989.

**History: En. Sec. 3, Ch. 619, L. 1983.**

**90-6-323. Local government budget authority.** A local government unit may budget and expend payments received from a mineral developer under this part or part 4 of this chapter or pursuant to a plan approved under this part. If a payment is requested or received after the adoption of the budget for the fiscal year in which the payment is to be expended, the governing body of the local government unit may by a majority vote amend its budget to provide for the receipt and expenditure of the payment.

**History: En. Sec. 8, Ch. 582, L. 1985.**

**90-6-324 through 90-6-330 reserved.**

**90-6-331. Fund transfer.** (1) On July 1, 1990, and on each July 1 thereafter, all funds remaining in the hard-rock mining impact trust account established in 90-6-304(2) after June 30 immediately preceding must be transferred to the county for which the funds have been held in deposit. The funds so transferred must be deposited in the county hard-rock mine trust reserve account established in 7-6-2225.

(2) The transfer of funds required by this section is a statutory appropriation pursuant to 17-7-502.

**History: En. Sec. 10, Ch. 672, L. 1989.**

**Compiler's Comments**

*Effective Date — Retroactive Applicability:* Section 23, Ch. 672, L. 1989, provided: "[This act] is effective on passage and approval [approved May 16, 1989] and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988."

## Part 4

## Hard-Rock Mining Impact Property Tax Base Sharing

**Part Cross-References**

Residence — rules for determining, 1-1-215.

Property subject to taxation — classification, Title 15, ch. 6, part 1.

Tax appraisal, Title 15, ch. 7, part 1.

Tax assessment procedure, Title 15, ch. 8.

Tax equalization, Title 15, ch. 9, part 1.

Statewide tax levies, Title 15, ch. 10, part 1.

Mining license taxes, Title 15, ch. 37.

Resource indemnity trust tax, Title 15, ch. 38.

**90-6-401. Declaration of necessity and purpose.** The commencement of new large-scale hard-rock mineral developments often results in revenue disparities among adjacent local government units. This occurs primarily when a mine that locates in one taxing jurisdiction causes population influxes in neighboring jurisdictions. The result can be that some jurisdictions will experience a need to increase expenditures and receive no corresponding increase in revenue, while others will experience an increase in revenue and receive no comparable increase in expenditures. There is therefore a need to allocate the increase in property tax base resulting from the development and operation of new large-scale mines so that property tax revenues will be equitably distributed among affected local government units.

**History:** En. Sec. 1, Ch. 635, L. 1983.

**90-6-402. Definitions.** As used in this part, the following definitions apply:

(1) "Affected local government unit" means a local government unit that will experience a need to increase services or facilities as a result of the commencement of large-scale mineral development or within which a large-scale mineral development is located in accordance with an impact plan adopted pursuant to 90-6-307.

(2) "Board" means the hard-rock mining impact board established in 2-15-1822.

(3) "Mineral development employee" means a person who resides within the jurisdiction of an affected local government unit as a result of employment with a large-scale mineral development or its contractors or subcontractors.

(4) "Mineral development student" means a student whose parent or guardian resides within the jurisdiction of an affected local government unit as a result of employment with a large-scale mineral development or its contractors or subcontractors.

(5) "Jurisdictional revenue disparity" means property tax revenues resulting from a large-scale hard-rock mineral development that are inequitably distributed among affected local government units as finally determined by the board in an approved impact plan.

(6) "Large-scale mineral development", for the purposes of this part, is defined in 90-6-302.

(7) "Local government unit", for the purposes of this part, means a county, municipality, or school district.

(8) "Taxable valuation" of a mineral development means the total of the gross proceeds taxable percentage specified in 15-6-132(2) when added to the

taxable percentages of real property, improvements, machinery, equipment, and other property classified under Title 15, chapter 6, part 1.

**History:** **En. Sec. 2, Ch. 635, L. 1983; amd. Sec. 88, Ch. 11, Sp. L. June 1989.**

**Compiler's Comments**

*1989 Special Session Amendment:* In definition of taxable valuation deleted reference to subsection (2)(a) of 15-6-132. Amendment effective August 11, 1989, and applies retroactively to net proceeds taxes, severance taxes, and local government taxes on oil and gas, other than interim production and new production, produced after December 31, 1988.

**90-6-403. Jurisdictional revenue disparity — conditioned exemption and reallocation of certain taxable valuation.** (1) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the board shall promptly notify the developer, all affected local government units, and the department of revenue of the disparity. Except as provided in this section and 90-6-404, the increase in taxable valuation of the mineral development that occurs after the issuance and validation of a permit under 82-4-335 is not subject to the usual application of county and school district property tax mill levies. This increase in taxable valuation must be allocated to local government units as provided in 90-6-404. The increase in taxable valuation allocated as provided in 90-6-404 is subject to the application of property tax mill levies in the local government unit to which it is allocated.

(2) The total taxable valuation of a large-scale mineral development remains subject to the statewide mill levies and basic county levies for elementary and high school foundation programs as provided in 20-9-331 and 20-9-333.

(3) The provisions of subsection (1) remain in effect until the large-scale mineral development ceases operations or until the existence of the jurisdictional revenue disparity ceases, as determined by the board.

**History:** **En. Sec. 3, Ch. 635, L. 1983; amd. Sec. 5, Ch. 311, L. 1987.**

**90-6-404. Allocation of taxable valuation for local taxation purposes.** When property of a large-scale mineral development is subject to the provisions of 90-6-403, the increase in taxable valuation must be allocated by the department of revenue as follows:

(1) The total increase in taxable valuation of the mineral development must be allocated between affected counties and affected municipalities according to the following formula based on the place of residence of mineral development employees:

(a) A portion, not to exceed 20%, to affected municipalities, based on that percentage of the total number of mineral development employees that reside within municipal boundaries. The taxable valuation allocated to affected municipalities must be distributed to each municipality according to its percentage of the total number of mineral development employees who reside within municipal boundaries. That portion of the taxable valuation distributed to a municipality pursuant to this section is subject to the same county mill levy as other taxable properties located in the municipality.

(b) The remaining portion of the taxable valuation must be distributed to each affected county according to its percentage of the total number of mineral development employees that reside within the county.

(2) The total increase in taxable valuation must be distributed pro rata among each affected high school district according to the percentage of the total number of mineral development high school students that reside within each district.

(3) The total increase in taxable valuation must be distributed pro rata among each affected elementary school district according to the percentage of the total number of mineral development elementary school students that reside within each district.

**History:** **En. Sec. 4, Ch. 635, L. 1983.**

**90-6-405. Employee surveys.** (1) Each large-scale mineral development subject to the provisions of 90-6-403 and 90-6-404 shall, on or before May 1 of each year, conduct a survey of its employees and promptly submit a report of its findings to the department of revenue. The report must include:

(a) the number of mineral development employees residing within each affected county;

(b) the number of mineral development employees residing within each affected municipality;

(c) the number of mineral development students residing in each affected high school district; and

(d) the number of mineral development students residing in each affected elementary school district.

(2) The initial allocation of the increase in taxable valuation made as provided in 90-6-403 and 90-6-404 shall be made on the basis of the place of residence of employees and the district of enrollment of students as projected in the approved impact plan for that period of time between the issuance and validation of the permit and the submission of an employee survey as provided for in this section.

**History:** **En. Sec. 5, Ch. 635, L. 1983.**

## Part 5

## Reverse Annuity Mortgage Loan

**90-6-501. Short title.** This part may be cited as the "Reverse Annuity Mortgage Loan Act".

**History:** **En. Sec. 1, Ch. 178, L. 1989.**

**90-6-502. Purpose.** Many elderly citizens in Montana own their own homes and have little or no remaining mortgage debt. Many of these homeowners are persons of lower income who would benefit from an additional income source from the use of the equity in their homes. The legislature finds that reverse annuity mortgage loans would enable elderly homeowners to provide more substantially for their own in-home support and specialized care. The purpose of this part is to:

(1) establish a reverse annuity mortgage loan program within the board of housing;

(2) authorize the board to make reverse annuity mortgage loans;

(3) counsel, assist, and protect elderly homeowners who wish to obtain a reverse annuity mortgage loan; and

(4) administer a reverse annuity mortgage loan program that does not jeopardize the mortgagor's eligibility for medicaid and other means-tested programs.

**History:** **En. Sec. 2, Ch. 178, L. 1989.**

**90-6-503. Definitions.** As used in this part, unless the context requires otherwise, the following terms apply:

(1) "Mortgage" means a mortgage as defined in 90-6-103.

(2) "Mortgagee" means the holder of a mortgage or its assignee.

(3) "Mortgagor" means a person:

(a) of lower income as determined by the board. In its determination of lower income, the board shall take into consideration the criteria in 90-6-103(16).

(b) 68 years of age or older;

(c) who is the owner and occupant of a single-family dwelling that is unencumbered by any prior mortgage, lien, or pledge; and

(d) who has completed a reverse annuity mortgage counseling program approved by the board.

(4) "Reverse annuity mortgage loan" means a loan in which loan proceeds are advanced to the mortgagor to provide a monthly tax-free cash payment for 10 years.

(5) "Single-family dwelling" means a one- to four-family living unit, excluding a condominium as defined in 70-23-102.

**History:** **En. Sec. 3, Ch. 178, L. 1989.**

**90-6-504. Reverse annuity mortgage loan program.** The board may make reverse annuity mortgage loans that are secured by a single-family dwelling located in this state. The loans must be made under terms and conditions adopted by the board pursuant to its authority under 90-6-104.

**History:** **En. Sec. 4, Ch. 178, L. 1989.**

**90-6-505. Mortgage requirements.** (1) Any mortgage securing payments made by a mortgagee to a mortgagor pursuant to a reverse annuity mortgage loan must be sufficiently definite, certain, and valid to secure all money actually advanced pursuant to and in accordance with its terms. The mortgage must secure money advanced at or subsequent to closing of the loan, up to but not exceeding the full amount of the loan. A reverse annuity mortgage has the same priority as if all money had been advanced at the time the mortgage was delivered. The mortgage must include but not be limited to the following:

(a) a statement that it is a reverse annuity mortgage loan;

(b) the full amount of the loan authorized;

(c) a statement of the dates on which advancements are to be made and the amounts of such advancements; and

(d) the events that will give rise to the maturity of the loan.

(2) The mortgagee and the mortgagor may modify the advancement dates in the mortgage by a statement signed by all parties to the mortgage and properly recorded with the original mortgage instrument. The modification may not limit or otherwise affect the priority of the mortgage.

**History:** **En. Sec. 6, Ch. 178, L. 1989.**

**90-6-506. Repayment or termination of reverse annuity mortgage loan.** (1) The mortgagor shall repay the reverse annuity mortgage loan as provided in this section.

(2) Repayment of any part of the reverse annuity mortgage loan is not required prior to the maturity of the loan and while the mortgagor resides on the secured property. The mortgagor may pay the outstanding loan balance in full at any time without penalty.

(3) The reverse annuity mortgage loan matures, advances under a reverse annuity mortgage loan terminate, and the entire unpaid balance of the loan plus accrued interest becomes due and payable only upon the occurrence of any of the following events:

(a) the death of the last surviving mortgagor;

(b) the sale or other transfer of the secured property to a person other than any of the original mortgagors;

(c) vacation of the secured property by the mortgagor, whether voluntarily, involuntarily, or pursuant to legal process; or

(d) any other occurrence that materially decreases the value of the property securing the loan or that will have the likely effect of causing the loan to not be repaid.

(4) Any occurrence allowing the termination of a loan as provided in subsection (3)(d) must be clearly recited in the mortgage, deed of trust, or trust indenture.

(5) Payment of the reverse annuity mortgage loan may not be required from any source other than the secured property.

**History:** En. Sec. 5, Ch. 178, L. 1989.

**90-6-507. Rulemaking authority.** The board shall adopt all procedural and substantive rules necessary for the administration of this part, including rules required to secure, implement, and administer the reverse annuity mortgage loan program.

**History:** En. Sec. 7, Ch. 178, L. 1989.

# CHAPTER 7

# HEALTH FACILITY DEVELOPMENT

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**Chapter Cross-References**

Hospitals and related facilities, Title 50, ch. 5.

## Part 1

## General Provisions

**90-7-101. Short title.** This chapter may be cited as the "Montana Health Facility Authority Act".

**History:** En. Sec. 2, Ch. 703, L. 1983.

**90-7-102. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Authority" means the Montana health facility authority created in 2-15-1815.

(2) "Costs" means costs allowed under 90-7-103.

(3) "Health facility" means any facility provided for in 90-7-104.

(4) "Health institution" means any public or private nonprofit hospital, corporation, or other organization authorized to provide or operate a health facility in this state.

(5) "Participating health institution" means a health institution that undertakes the financing, refunding, or refinancing of obligations on the construction or acquisition of a health facility pursuant to the provisions of this chapter.

(6) "Revenues" means, with respect to facilities, the rents, fees, charges, interest, principal repayments, and other income received or to be received by the authority from any source on account of such facilities.

**History:** En. Sec. 3, Ch. 703, L. 1983.

**90-7-103. Allowable costs.** Costs eligible for financing or refinancing under this chapter include:

(1) the total of all reasonable or necessary costs incidental to the acquisition, construction, reconstruction, repair, alteration, equipment, enlargement, and improvement of an eligible health facility and the acquisition of all real and personal property interests necessary or useful in connection with the facility and all other undertakings which the authority considers reasonable or necessary for the development of the facility;

(2) the cost of demolishing or removing any building or structure on land so acquired, the cost of acquiring any land to which such building or structure may be moved, the cost of all machinery and equipment, financing charges, interest prior to and during construction and, if judged advisable by the authority, for a period after completion of such construction, the cost of financing the facility, including interest on bonds and notes issued by the authority to finance the facility;

(3) reserves for principal and interest and for extensions, enlargements, additions, and improvements, including without limitation the cost of studies and surveys;

(4) the costs for land title and mortgage guaranty policies;

(5) the costs of plans, specifications, and architectural and engineering services;

(6) the costs of legal, organization, marketing, or other special services;

(7) the costs of financing, acquisition, demolition, construction, equipment, and site development of new and rehabilitated buildings;

(8) the costs of rehabilitation, reconstruction, repair, or remodeling of existing buildings; and

(9) all other expenses necessary and incidental to the construction and acquisition of the facility, the financing of such construction, and the acquisition and placing of the facility into operation.

**History: En. Sec. 5, Ch. 703, L. 1983.**

**90-7-104. Eligible health facility.** (1) Eligible health facility means any structure or building used as a hospital, clinic, nursing home, or other health care facility as defined in 50-5-101; center for developmentally disabled; center for the handicapped; chemical dependency treatment center; nursing school; medical teaching facility; laboratory; dental care facility; or other structure or facility related to any of the foregoing or required or useful for the operation of a health facility. These related facilities include supporting service structures and all necessary, useful, and related equipment, furnishings, and appurtenances and include without limitation the acquisition, preparation, and development of all lands and real and personal property necessary or convenient as a site for any of the foregoing.

(2) An eligible health facility does not include such items as food, fuel, supplies, or other items that are customarily considered as current operating expenses; and eligible health facility does not include a structure used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

**History: En. Sec. 4, Ch. 703, L. 1983.**

**90-7-105 through 90-7-110 reserved.**

**90-7-111. Credit of state not pledged — statement on obligation required.** (1) Obligations issued under the provisions of this chapter do not constitute a debt, liability, obligation, or pledge of the faith and credit of the state but are payable solely from the revenues or assets of the health institution being financed.

(2) An obligation issued under this chapter must contain on the face thereof a statement to the effect that the state of Montana is not liable on the obligation, the obligation is not a debt of the state, and neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the obligation.

**History: En. Sec. 18, Ch. 703, L. 1983.**

**Cross-References**

State debt, Art. VIII, sec. 8, Mont. Const.

Security of bondholders, 90-7-304.

Pledge by state not to impair obligation and to properly administer program, 90-7-311.

Pledge of revenue, money, or property, 90-7-312.

**90-7-112. Exemption from taxation — securities law.** (1) The authority performs a public function for the benefit of the people of the state for the improvement of their health and living conditions and is a public instrumentality of the state. Accordingly, the income or other revenues of the authority and all property owned by the authority and any bonds, notes, or other obligations issued under this chapter, their transfer, and income therefrom, including any profit made on the sale thereof, are exempt at all times from all taxation in the state of Montana.

(2) Bonds issued by the authority are exempt from the Montana Securities Act, but copies of all prospectus and disclosure documents must be deposited with the state securities commissioner for public inspection.

**History: En. Sec. 19, Ch. 703, L. 1983.**

**Cross-References**

Individual income taxes — exemptions from adjusted gross income, 15-30-111.

Individual income tax — exemptions, 15-30-112.

Organizations exempt from tax, 15-31-102.

Securities regulation, Title 30, ch. 10.

Montana Securities Act, Title 30, ch. 10, parts 1 through 3.

**90-7-113. Bonds as legal investment.** (1) Bonds issued by the authority under the provisions of this chapter are securities in which funds may be legally and properly invested, including capital in the control of or belonging to:

(a) public officers and public bodies of the state and its political subdivisions;

(b) insurance companies;

(c) credit unions, building and loan associations, investment companies, savings banks, banking associations, and trust companies;

(d) personal representatives, public administrators, trustees, and other fiduciaries; and

(e) pension, profit-sharing, and retirement funds.

(2) Bonds issued under this chapter are securities that may properly and legally be deposited with and received by any state or municipal officer or any agency or municipality of the state for any purpose for which the deposit of bonds or obligations of the state is authorized by law.

**History: En. Sec. 23, Ch. 703, L. 1983.**

**Cross-References**

State finance — permissible investments, 17-6-211.

Investments of financial institutions, 32-1-424.

Insurance companies — investments, Title 33, ch. 2, part 8.

Industrial development revenue bonds, 90-5-103.

**90-7-114 through 90-7-120 reserved.**

**90-7-121. Biennial audit.** The authority's books and records must be audited at least once each biennium, by or at the direction of the legislative auditor. The actual costs of the audit shall be paid from the authority's funds.

**History: En. Sec. 26, Ch. 703, L. 1983; amd. Sec. 1, Ch. 220, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In first sentence, after "each", changed "fiscal year" to "biennium". Amendment effective March 22, 1989.

**Cross-References**

Audit costs and contracts, Title 5, ch. 13, part 4.

## Part 2

## Authority
## Administration, Powers, and Limitations

**90-7-201. Authority — quorum — mode of action — expenses.** (1) Four members of the authority constitute a quorum for the purpose of conducting business. Action may be taken by the authority upon the affirmative vote of at least four of its members. No vacancy in the membership of the authority impairs the right of a quorum to exercise all the rights and perform all the duties of the authority.

(2) Each meeting of the authority for any purpose must be open to the public. Notice of meetings must be as provided in the bylaws of the authority. Resolutions need not be published or posted.

(3) Each member is entitled to be paid $50 for each day he is actually and necessarily engaged in the performance of board duties plus cost of travel, lodging, and meals as provided in 2-18-501 through 2-18-503.

**History: En. Sec. 6, Ch. 703, L. 1983; amd. Sec. 1, Ch. 309, L. 1987.**

**Cross-References**

Open meetings required, Art. II, sec. 9, Mont. Const.; 2-3-203.

**90-7-202. Powers of authority.** The authority may:

(1) sue and be sued;

(2) have a seal;

(3) adopt all procedural and substantive rules necessary for the administration of this chapter;

(4) issue bonds or incur other debt as described in this chapter, including the issuance of notes or refunding bonds;

(5) invest any funds obtained from the issuance of bonds and notes which are not required for immediate use, subject to any agreements with its bondholders and noteholders, as provided in Title 17, chapter 6, except that all investment income from funds invested by the authority, less the cost for investment, must be deposited in an enterprise fund to the credit of the authority;

(6) contract in its own name for the investment of funds, borrowing of funds, or any other purposes it considers appropriate to carry out the purposes of this chapter;

(7) participate with any financial institution in the purchase or guarantee of any loan or obligation;

(8) issue bond anticipation notes or any other anticipatory financial obligations to secure funding of eligible facilities;

(9) enter into agreements or make advance commitments to insure repayments required by loan agreements made by a lender. Such agreements are subject to terms and conditions established by the authority.

(10) sell, purchase, or insure loans to finance the costs of eligible facilities;

(11) accept gifts, grants, or loans from a federal agency, an agency or instrumentality of the state, a municipality, or any other source;

(12) enter into contracts or other transactions with a federal agency, an agency or instrumentality of the state, a municipality, a private organization, or any other entity consistent with the exercise of any power under this chapter;

(13) with regard to property:

(a) acquire real or personal property or any right, interest, or easement therein by gift, purchase, transfer, foreclosure, lease, or otherwise;

(b) hold, sell, assign, lease, encumber, mortgage, or otherwise dispose thereof;

(c) hold, sell, assign, or otherwise dispose of any mortgage or loan owned by it or in its control or custody;

(d) release or relinquish any right, title, claim, interest, easement, or demand, however acquired, including any equity or right of redemption;

(e) make any disposition by public or private sale, with or without public bidding;

(f) commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement;

(g) bid for and purchase property at any foreclosure or other sale or acquire or take possession of it in lieu of foreclosure; and

(h) operate, manage, lease, dispose of, and otherwise deal with such property in any manner necessary or desirable to protect its interests or the holders of its bonds or notes if such action is consistent with any agreement with such holders;

(14) service, contract, and pay for the servicing of loans;

(15) provide general technical services in the analysis, planning, design, processing, construction, rehabilitation, and management of eligible health facilities whenever considered appropriate;

(16) consent, whenever it considers necessary or desirable in fulfilling its purposes, to the modification of the rate of interest, time, or payment of any installment of principal, interest, or security or any other term of any contract, lease agreement, loan agreement, mortgage, mortgage loan, mortgage loan commitment, construction loan, advance contract, or agreement of any kind, subject to any agreement with bondholders and noteholders;

(17) collect reasonable interest, fees, and charges from participating institutions in connection with making and servicing its lease agreements, loan agreements, mortgage loans, notes, bonds, commitments, and other evidences of indebtedness. The interest, fees, and charges shall be deposited to an enterprise fund to the credit of the authority. Interest, fees, and charges are limited to the amounts required to pay the costs of the authority, including

operating and administrative expenses and reasonable allowances for losses that may be incurred.

(18) perform any other acts necessary and convenient to carry out the purposes of this chapter.

**History:** **En. Sec. 7, Ch. 703, L. 1983; amd. Sec. 48, Ch. 281, L. 1983.**

**Cross-References**

Adoption of administrative rules — Montana Administrative Procedure Act, Title 2, ch.4.

Adoption and publication of rules, Title 2, ch. 4, part 3.

Lawsuits — security not required on behalf of state, 25-1-402.

Lawsuits — notice to Attorney General, Title 25, ch. 1, part 5.

Property, Title 70.

Mortgages, Title 71, ch. 1.

Foreclosure, 71-1-221 through 71-1-235.

**90-7-203. Staff of authority.** The authority may employ or contract for any professional staff or consultants necessary. Such employment and contracting must be done in consultation with the department of commerce.

**History:** **En. Sec. 9, Ch. 703, L. 1983.**

**Cross-References**

Montana Health Facility Authority, 2-15-1815.

State employees generally, Title 2, ch. 18.

Retained services to Board — negotiated fee, 90-7-211.

**90-7-204. Agent of the authority.** The authority may designate a participating health institution as its agent for determining the location and character of an eligible health facility undertaken by that institution under the provisions of this chapter. As agent, the institution may acquire, construct, reconstruct, renovate, replace, improve, maintain, repair, operate, lease, as lessee or lessor, and enter into contracts for any and all such purposes, including contracts for the management and operation of the facility.

**History:** **En. Sec. 11, Ch. 703, L. 1983.**

**Cross-References**

Agency, Title 28, ch. 10.

**90-7-205 through 90-7-210 reserved.**

**90-7-211. Necessary expenses — fees.** (1) All expenses of the authority incurred in carrying out the provisions of this chapter are payable solely from funds provided under the authority of this chapter, and no liability may be incurred by the authority beyond the extent to which money has been provided under this chapter, except for the purposes of meeting the necessary expenses of initial organization and operation and until such date as the authority derives money from funds provided under this chapter. The authority may borrow money for necessary expenses of organization and operation. Such borrowed money must be repaid within a reasonable time after the authority receives funds provided for under this chapter.

(2) When an application is made to the authority by any participating health institution for financial assistance to provide for its facilities, the application may be accompanied by an initial planning service fee in an amount determined by the authority. Such initial planning service fee may be included in the cost of the facilities to be financed and is not refundable by the authority, whether or not any application is approved. In addition to the initial fee, an annual planning service fee may be paid to the authority by

each participating health institution in an amount determined by the authority. The annual planning service fee may be paid on such dates or in installments as may be satisfactory to the authority. The fees must be used for:

(a) necessary expenses to determine the need for facilities in the area concerned, and to that end the authority may utilize recognized voluntary and official health planning organizations and agencies at local, regional, and state levels;

(b) necessary administrative expenses; and

(c) reserves for anticipated future expenses.

(3) The authority may, for a negotiated fee, retain the services of any other public or private person, firm, partnership, association, or corporation for the furnishing of services and data for use by the authority in determining the need for and location of any eligible health facility for which application is being made or for such other services or surveys as the authority considers necessary to carry out the purposes of this chapter.

**History:** **En. Sec. 20, Ch. 703, L. 1983.**

**90-7-212. Purchase of bonds by authority.** The authority may purchase its bonds or notes. The authority may hold, pledge, cancel, or resell such bonds or notes, subject to and in accordance with agreements with bondholders or noteholders.

**History:** **En. Sec. 15, Ch. 703, L. 1983.**

**90-7-213. Loan limitation.** No loan made by the authority may exceed the total cost of the eligible health facility being financed as such cost is determined by the participating institution and approved by the authority.

**History:** **En. Sec. 10, Ch. 703, L. 1983.**

**Cross-References**

Aggregate biennial bonding and borrowing authority, 90-7-302.

**90-7-214. Restriction on operating facility — leases.** (1) The authority may not operate an eligible health facility as a business other than as a lessee or lessor. The lease must provide for rentals adequate to pay the principal and interest due on bonds and to create and maintain such reserves and accounts for depreciation as the authority determines necessary.

(2) The lease may contain terms and conditions that the authority considers proper. The lease may be terminated upon failure of the participating health institution to comply with any obligation under the lease. The lease may include a renewal or an option to purchase provision upon such terms or conditions as the authority considers desirable.

(3) Upon payment of all indebtedness incurred by the authority for financing a facility, the authority may convey any or all of the facility to the lessee, with or without consideration.

**History:** **En. Sec. 8, Ch. 703, L. 1983.**

## Part 3

## Notes and Bonds

**Part Cross-References**

U.C.C. — form of negotiable instruments, 30-3-104.

U.C.C. — investment securities, Title 30, ch. 8.

**90-7-301. Notes.** The authority is authorized from time to time to issue its negotiable notes for any corporate purpose, including the payment of all or any part of the cost of any facility, and renew from time to time any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed, and delivered in the same manner as bonds. Any resolution authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution authorizing bonds of the authority. The authority may include in its notes any terms, covenants, or conditions that it is authorized to include in any bonds. All notes must be payable from the proceeds of bonds, renewal notes, the revenues of the authority, or other money available therefor and not otherwise pledged, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

**History:** **En. Sec. 12, Ch. 703, L. 1983.**

**Cross-References**

Credit of state not pledged — statement required on face of obligation, 90-7-111.

**90-7-302. Bonds and notes of the authority.** (1) The authority may in each biennium borrow money and issue bonds and notes in an aggregate principal amount not to exceed $150 million, exclusive of bonds or notes issued to refund its outstanding bonds or notes.

(2) Bonds must be authorized and dated and shall mature as the authority may specify, except that no bond may mature more than 40 years from the date of its issue. Bonds shall bear interest at the rate or rates, be in the denominations, be in the proper registered or bearer form, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption that the authority may provide.

(3) All bonds, regardless of form or character, are negotiable instruments for all purposes of the Uniform Commercial Code, subject to requirements as to registration.

(4) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or times which the authority may determine.

(5) Before the issuance of any bonds, the authority shall make provisions, by lease or other agreement, regarding the facility or facilities being financed by the issue of the bonds, for rentals or other considerations sufficient, in the judgment of the authority, to:

(a) pay the principal of and interest on the bonds as they become due;

(b) create and maintain the reserves therefor;

(c) meet all obligations in connection with the lease or other agreement; and

(d) meet all costs necessary to service the bonds unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority.

(6) The authority may combine, for the purposes of a single offering, bonds financing more than one facility under this chapter.

**History:** **En. Sec. 13, Ch. 703, L. 1983; amd. Sec. 1, Ch. 319, L. 1985.**

**Cross-References**
Uniform Commercial Code — investment securities, Title 30, ch. 8.

**90-7-303. Procedure for issuance of bonds.** (1) The authority may not undertake to finance any eligible health facility unless, prior to the issuance of any bonds or notes, the members find that such facility will be operated by a health institution for the purpose of fulfilling its obligation to provide health care facilities.

(2) The authority may not allow the proceeds of any bonds or notes to be expended for any facility unless such facility has been reviewed and approved by the appropriate regional and state health planning boards and has received any approval required by Title 50, chapter 5, part 3.

(3) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has been shown that such facility is financially feasible and that there will be sufficient revenues to assure that principal and interest payments are made when they become due.

(4) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has considered the ability of the health institution to operate such a facility based on the health institution's experience and expertise.

(5) The authority must insure that its financings consistently provide fair and realistic terms and covenants sufficient to protect the position of the lenders or bondholders.

**History: En. Sec. 16, Ch. 703, L. 1983; amd. Sec. 1, Ch. 326, L. 1985.**

**Cross-References**
Credit of state not pledged — statement required on face of obligation, 90-7-111.

**90-7-304. Security of bondholders.** (1) The payment of the principal of and interest on any bonds issued under this chapter must be secured by a pledge of the revenues out of which such bonds are made payable.

(2) The principal of and interest on any bonds issued under the authority of this part may be secured by:

(a) a mortgage covering all or any part of the participating health institution;

(b) a pledge of the lease or loan agreement relating to such facility; or

(c) such other security device as may be considered most advantageous by the authority.

(3) The proceedings under which the bonds are authorized to be issued under the provisions of this chapter and any mortgage given to secure the same, including a mortgage given by the borrower or lessee, may contain any agreements and provisions customarily contained in instruments securing bonds, as the authority considers advisable. Such provisions may not be in conflict with the provisions of this chapter, including without limitation provisions relating to:

(a) fixing and collection of rents or payments under any lease or loan agreement concerning the facility covered by such proceedings or mortgage;

(b) terms to be incorporated in the lease or loan agreement;

(c) maintenance and insurance of such facility;

(d) creation and maintenance of special funds from the revenues of such facility; and

(e) rights and remedies available in the event of a default to the bondholders or to the trustee under a mortgage.

(4) The proceedings authorizing any bonds under the provisions of this chapter and any mortgage, including a mortgage given by the lessee or borrower, securing such bonds may provide that in the event of a default in the payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or mortgage, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents and to apply the revenues from the project in accordance with such proceedings or the provisions of such mortgage.

(5) Any mortgage made by the authority, lessee, or borrower to secure these bonds may provide that, in the event of a default in the payment thereof or the violation of any agreement contained in the mortgage, the mortgage may be foreclosed and the project sold under proceedings in equity or in any other manner permitted by law. The mortgage may also provide that any trustee under the mortgage or the holder of any of the bonds secured thereby may become the purchaser at any foreclosure sale if he is the highest bidder therefor. No breach of any such agreement may impose any pecuniary liability upon the authority.

**History: En. Sec. 14, Ch. 703, L. 1983.**

**Cross-References**

Receivers, Title 27, ch. 20.
Mandamus, Title 27, ch. 26.
Mortgages, Title 71, ch. 1.
Pledges, Title 71, ch. 2.
Foreclosure, 71-1-221 through 71-1-235.
Credit of state not pledged, 90-7-111.
Pledge of revenue, money, or property — validity, 90-7-312.

**90-7-305. Trust agreement to secure bonds.** In the discretion of the authority, any bonds issued under this chapter may be secured by a trust agreement between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company in Montana. The trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. The trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including particularly such provisions as have been specifically authorized to be included in any resolution of the authority authorizing bonds. Any bank or trust company incorporated under the laws of this state, which may act as depository of the proceeds of bonds or of revenues or other money, may furnish such indemnifying bonds or pledge such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition, any such trust agreement or resolution may contain such other provisions as the authority may consider reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such trust agreement or resolution may be treated as a part of the cost of the operation of an eligible health facility.

**History:** **En. Sec. 17, Ch. 703, L. 1983.**

**Cross-References**

"Trust company" defined, 32-1-107.

**90-7-306. Trust funds.** All money received pursuant to this chapter, whether as proceeds from the sale of bonds, notes, or other obligations or as revenues or receipts, are trust funds to be held and applied solely as provided in this chapter. Any officer with whom or any bank or trust company with which such money is deposited shall act as trustee of the money and shall hold and apply it for the purposes of this chapter, subject to such regulations as this chapter and the resolution authorizing the bonds, notes, or other obligations of any issue or the trust agreement securing the obligations may provide.

**History:** **En. Sec. 22, Ch. 703, L. 1983.**

**90-7-307. Conveyance of title to health institution.** When the principal and interest on bonds issued by the authority to finance the cost of eligible health facilities or to refinance outstanding indebtedness of one or more participating health institutions, including any refunding bonds issued to refund and refinance such bonds, have been fully paid and retired or when adequate provision has been made to fully pay and retire the same and all other conditions of the resolution, lease, trust indenture, and mortgage or deed of trust or any other form of security arrangement, if any, authorizing and securing the same have been satisfied and the lien of the mortgage or deed of trust or any other form of security arrangement has been released in accordance with the provisions thereof, the authority shall promptly convey its interest in the facilities and any other facilities mortgaged or subject to deed of trust or any other form of security arrangement to secure the bonds to the participating health institution or institutions.

**History:** **En. Sec. 21, Ch. 703, L. 1983.**

**90-7-308 through 90-7-310 reserved.**

**90-7-311. Pledge of state not to impair — to administer.** In accordance with the constitutions of the United States and the state of Montana, the state pledges that it will not in any way impair the obligations of any agreement between the authority and the holders of notes and bonds issued by the authority, including but not limited to an agreement to administer a loan program financed by the issuance of bonds, and to employ a staff sufficient and competent for this purpose.

**History:** **En. Sec. 24, Ch. 703, L. 1983.**

**Cross-References**

Ex post facto, obligation of contracts, and irrevocable privileges, Art. II, sec. 31, Mont. Const.

Prohibition against impairment of contracts, Art. II, sec. 31, Mont. Const.

Montana Health Facility Authority, 2-15-1815.

**90-7-312. Pledge of revenue, money, or property — validity.** Any pledge made by the authority is valid and binding from the time the pledge is made. The revenue, money, or property pledged and received by the authority is immediately subject to the lien of the pledge without any physical delivery or further act. The lien of any pledge is valid and binding against all parties having claims of any kind, whether in tort, contract, or otherwise, against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created is required to be recorded.

**History:** **En. Sec. 25, Ch. 703, L. 1983.**

# CHAPTER 8

# MONTANA CAPITAL COMPANY ACT

### Part 1 — General Provisions

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90-8-313. Examination.
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90-8-321. Decertification.

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**Chapter Cross-References**

Business incubator tax exemption, Title 15, ch. 24, part 18.

Functions of Department of Commerce — economic development, 90-1-105.

## Part 1

## General Provisions

**90-8-101. Short title.** This chapter may be cited as the "Montana Capital Company Act".

**History:** **En. Sec. 1, Ch. 554, L. 1983.**

**90-8-102. Declaration of policy.** (1) The legislature finds and declares that:

(a) economic insecurity due to unemployment is a serious menace to the health, safety, and general welfare of not only the affected people but of the people of the entire state;

(b) involuntary unemployment, with its resulting burden of indigency, falls with crushing force upon unemployed workers and ultimately on the state itself in the form of public assistance and unemployment compensation payments; and

(c) unemployment causes a migration of Montana workers and families seeking jobs and establishing homes elsewhere, which deprives the state of its most valuable resource, its people, and reduces the tax base of local governments, impairing their ability to provide basic services.

(2) (a) The legislature further finds that the best method of combating unemployment and protecting Montana against the loss of its people is by promoting, stimulating, developing, rehabilitating, and revitalizing the business prosperity and economic welfare of the state and its citizens.

(b) To accomplish this goal, the legislature seeks to encourage the formation of venture and equity capital in Montana for use in diversifying, strengthening, and stabilizing the Montana economy by increasing Montana employment and business opportunities while protecting the people's constitutional right to a clean and healthful environment.

(3) The legislature further finds that:

(a) private investment of venture and equity capital in the Montana economy will be encouraged and promoted by making tax credits available to taxpayers investing in Montana capital companies;

(b) demands on state revenues restrict the financial ability of the state to make unlimited tax credits available for investment purposes and require that the state place reasonable limits on the total amount of tax credits to be made available for investment incentive;

(c) establishment of a rational tax credit program which gives priority to investments in capital companies in the order in which they are qualified will encourage prompt private investment in Montana businesses.

(4) The legislature further finds that use of money from the Montana in-state investment fund established by 17-6-306 to purchase debentures issued by a capital company will promote the business prosperity and economic welfare of the state and its citizens.

**History: En. Sec. 2, Ch. 554, L. 1983; amd. Sec. 6, Ch. 124, L. 1987; amd. Sec. 82, Ch. 83, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (4) changed "17-6-305" to "17-6-306".

**90-8-103. Purpose.** (1) The purpose of this chapter is to promote the development of the human resources and the diversification of the economy of Montana. The venture capital generated by this chapter must be used to encourage and assist the strengthening of the economy through loans, equity investments, and other business transactions for purposes of developing new small business and industry in Montana, rehabilitating existing small business and industry, and stimulating and assisting in the expansion of small business activities that promote and maintain the economic stability of the state by providing maximum opportunities for employment of Montanans and improving the standard of living of the people of Montana.

(2) This chapter is aimed at:

(a) increasing the availability of development capital in order to encourage and assist in the creation, development, and expansion of small businesses based in Montana;

(b) aiding those businesses to which risk and equity financing are not readily or fully available through traditional sources, including those owned and operated by women and minorities;

(c) developing, preserving, diversifying, expanding, and strengthening the agricultural, industrial, and business base of Montana's economy, particularly for those small businesses utilizing the state's technical, managerial, and research resources in domestic and international markets; and

(d) providing the residents of Montana with greater opportunities to invest and participate in the economic development and potential of the state.

**History:** **En. Sec. 3, Ch. 554, L. 1983.**

**90-8-104. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Board" means the board of investments provided for in 2-15-1808.

(2) "Capital base" means equity capital raised by a certified Montana capital company for which tax credits were claimed under this chapter.

(3) "Certified Montana capital company" means:

(a) a development credit corporation created pursuant to Title 32, chapter 4; or

(b) a profit or nonprofit entity organized and existing under the laws of Montana, created for the purpose of making venture or risk capital available for qualified investments and that has been certified by the board.

(4) "Montana business" means a business which is located or principally based within Montana.

(5) "Qualified investment" means:

(a) a debt or equity financing of a Montana business that meets both of the following criteria:

(i) the business is engaged in one or more of the following activities:

(A) manufacturing;

(B) agricultural, fishery, or forestry production and processing;

(C) mineral production and processing, except for conventional oil and gas exploration;

(D) recognized nonfossil forms of energy generation as defined in 15-32-102;

(E) transportation;

(F) research and development of products or processes associated with any of the activities enumerated in (A) through (E) above;

(G) wholesale or retail distribution activities for which products produced in Montana comprise 50% or more of the gross sales receipts;

(H) any activity conducted in the state for which 50% or more of the gross receipts are derived from the sale of products or services outside Montana; and

(I) tourism; and

(ii) the business is a small business as defined in rules adopted by the board; or

(b) a debt or equity financing of a business outside Montana if such investment is likely to produce a qualified investment in Montana, as long as such investment does not exceed 25% of the capital base of the capital company.

(6) "Qualified Montana capital company" means a certified Montana capital company that has been designated a qualified capital company under the provisions of 90-8-202 so that investors in the company may receive the tax credits authorized in 90-8-202.

**History: En. Sec. 4, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983; amd. Sec. 154, Ch. 370, L. 1987; amd. Sec. 16, Ch. 581, L. 1987; amd. Sec. 1, Ch. 583, L. 1987; amd. Sec. 2, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end of definition of capital base deleted "and additions to net worth caused by increases in retained earnings".

**90-8-105. Rulemaking.** The board may adopt rules to implement the provisions of this chapter.

**History: En. Sec. 17, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983.**

**Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

## Part 2

## Tax Credits
## Investments in Capital Company

**90-8-201. Certification of Montana capital companies.** (1) From time to time the board shall certify Montana capital companies. A company seeking to be certified as a Montana capital company must make written application to the board on forms provided by the board. The application must contain the information required by 90-8-204 and such other information as the board requires. The application and certificate must specify the level of capitalization that the company expects to qualify for the tax credits provided for in 90-8-202.

(2) The application must show that the applicant's purpose is to increase the general economic welfare of the state of Montana by:

(a) making investment capital available to businesses in Montana; and

(b) allowing for investment of up to 25% of its capital base in businesses outside Montana if there is a substantial likelihood that such investment will produce a qualified investment in Montana.

(3) Certifiable applicants include but are not limited to local and community development corporations, small business administration 503 corporations, and small business investment companies.

(4) Certification is a prerequisite to and must be completed before seeking designation as a qualified capital company.

**History: En. Sec. 5, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983; amd. Sec. 2, Ch. 583, L. 1987; amd. Sec. 3, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), at beginning, substituted "From time to time" for "Every 6 months, commencing January 1, 1984, or 3 months after rules are adopted to implement this chapter, whichever occurs first".

**Cross-References**

Securities regulation — capital companies exempt from salesman and issuer registration provisions, 30-10-105.

**90-8-202. Designation of qualified Montana capital companies — tax credit.** (1) The board shall designate as qualified Montana capital companies those certified companies that have been privately capitalized at a minimum level of $200,000. A certified company seeking designation as a qualified Montana capital company must make written application to the board on forms provided by the board. The application must contain the information required by 90-8-204 and such other information as the board requires.

(2) (a) The total amount of tax credits authorized for a single qualified company may not exceed $1,500,000. In the event the capitalization of the company is later increased, the company may apply for authorization of additional tax credits within the foregoing limitation.

(b) The total credits authorized for all companies may not exceed a total of $1 million prior to June 30, 1985. The total credits authorized for all companies between July 1, 1985, and June 30, 1987, may not exceed $1 million plus any portion of the $1 million available for authorization before June 30, 1985, that is allocated to qualified companies. The total credits authorized for all companies between July 1, 1987, and June 30, 1989, may not exceed $3 million plus any portion of the credits available for authorization before June 30, 1987, that is allocated to qualified companies. The total credits authorized for all companies between July 1, 1989, and June 30, 1991, may not exceed $3 million plus any portion of the credits available for authorization before June 30, 1989, that is allocated to qualified companies.

(3) The credits shall be allocated to qualified companies in the order that completed applications for designation as qualified capital companies are received by the board, and the board shall certify to each such company its appropriate allocation.

(4) Investors in a qualified Montana capital company are entitled to the tax credits provided for in subsection (5). Funds invested in a certified company prior to designation as a qualified Montana capital company may, at the discretion of the investor, be placed in an escrow account in a Montana financial institution pending designation of the company as a qualified Montana capital company.

(5) Subject to the provisions of subsections (2) and (8), an individual, small business corporation, partnership, trust, decedent's estate, or corporate taxpayer that makes a capital investment in a qualified Montana capital company is entitled to a tax credit equal to 50% of the investment, up to a maximum credit of $150,000 per taxpayer. The credit may be taken against the tax liability imposed on the investor pursuant to Title 15, chapter 30, 31, or 35. The credit for investments by a small business corporation electing to be taxed under 15-31-202 or a partnership may be claimed by the small business corporation shareholders or the partners.

(6) The tax credit allowed under subsection (5) is to be credited against the taxpayer's income tax liability or coal severance tax liability for the taxable year in which the investment in a qualified Montana capital company is made. If the amount of the tax credit exceeds the taxpayer's tax liability for the taxable year, the amount of the credit which exceeds the tax liability may be carried back or carried forward in the following manner:

(a) If the sum of the amount of credit for the current taxable year plus the amount of credit, if any, carried forward from a previous taxable year exceeds the taxpayer's tax liability for the current taxable year, the excess must be carried back as a credit to the 3 preceding taxable years and, if the full credit remains unused, carried forward as a credit to the 15 succeeding taxable years.

(b) The amount of unused credit must be used to offset the entire tax liability of each of the 18 taxable years, beginning with the earliest and commencing to the next succeeding year until the credit is exhausted.

(7) The tax credit provided for in this section is available only to those taxpayers who invest in a qualified Montana capital company within 4 years of July 1, 1987.

(8) An individual, small business corporation, partnership, or corporate taxpayer who obtains the tax credit allowed under subsection (5) may not obtain credits in excess of the $150,000 limit contained in subsection (5) by making investments as more than one entity. A partner or shareholder in a small business corporation may not obtain more than $150,000 in credits as an individual and as the partnership or small business corporation. A corporate taxpayer that obtains the maximum $150,000 credit may not obtain additional credits through investments by wholly owned subsidiaries or affiliates.

**History: En. Sec. 6, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983; amd. Sec. 3, Ch. 583, L. 1987; amd. Sec. 1, Ch. 707, L. 1989; amd. Sec. 4, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 707 in (5), near beginning of first sentence, inserted reference to subsection (8) and at end of second sentence inserted reference to chapter 35; in (6), near middle of first sentence, inserted reference to coal severance tax liability; and inserted (8) providing taxpayer who obtains tax credit under subsection (5) may not obtain credits over $150,000 limit by investing as more than one entity, providing that partner and shareholder in small business corporation may not obtain credits over that amount as individual, partnership, or small business corporation, and providing that corporate taxpayer that obtains maximum credit may not obtain additional credits through wholly owned subsidiary or affiliate investments. Amendment effective May 22, 1989.

Chapter 708 in (5), near beginning of first sentence, inserted references to trust and decedent's estate; substituted (6)(a) and (6)(b) relating to manner of determining carrying back and carrying forward tax credits (see 1989 Session Law for text) for language allowing carrying back and carrying forward in accordance with section 46(b) of the Internal Revenue Code; and made minor change in phraseology.

**90-8-203. No recapture — unqualified investments.** If the amount invested by a taxpayer in a qualified Montana capital company is not used by the company for qualified investments as provided in 90-8-301, the taxpayer is not subject to a recapture provision for any tax credit claimed by him but the company is subject to the penalty provided for in 90-8-301(3).

**History: En. Sec. 7, Ch. 554, L. 1983.**

**90-8-204. Application requirements.** A company applying to become either a certified or qualified Montana capital company shall include in its application evidence that it has disclosed or will disclose to all investors the following:

(1) the condition that a tax credit is not available for investment in a company until the company has been designated a qualified Montana capital company and the investor has received a certificate approving the credit from the board;

(2) the condition that a tax credit will not be made available until the company raises at least $200,000 in capital, and has been designated a qualified capital company, and the limits on tax credits that may be authorized; and

(3) the fact that the state of Montana is not liable for damages in accordance with 90-8-205.

**History: En. Sec. 16, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983.**

**90-8-205. State liability disclaimed.** The state of Montana may not be held liable for any damages to an investor in a Montana capital company that fails to become designated as a certified or qualified Montana capital company.

**History: En. Sec. 15, Ch. 554, L. 1983.**

## Part 3

## Regulation of Capital Companies

**90-8-301. Qualified investments — penalty — extension permissible.** (1) A qualified Montana capital company receiving investments for which a taxpayer has applied and received a tax credit must use its capital base to make qualified investments according to the following schedule:

(a) at least 30% of its capital base raised through investments for which tax credits were taken within 3 years of the date on which the certified company was designated as a qualified capital company by the board and, in the case of capital raised by a qualified Montana capital company under an amended application for additional tax credits filed after its initial designation as a qualified Montana capital company, at least 30% of its capital base raised through investments for which tax credits were taken within 3 years of the date on which the board approves the amended application;

(b) at least 50% of its capital base raised through investments for which tax credits were taken within 4 years of the date on which the certified company was designated as a qualified capital company by the board and, in the case of capital raised by a qualified Montana capital company under an amended application for additional tax credits filed after its initial designation as a qualified Montana capital company, at least 50% of its capital base raised through investments for which tax credits were taken within 4 years of the date on which the board approves the amended application; and

(c) at least 70% of its capital base raised through investments for which tax credits were taken within 5 years of the date on which the certified company was designated as a qualified capital company by the board and, in the case of capital raised by a qualified Montana capital company under an amended application for additional tax credits filed after its initial designation as a qualified Montana capital company, at least 70% of its capital base raised through investments for which tax credits were taken within 5 years of the date on which the board approves the amended application.

(2) Following each annual examination, the commissioner of financial institutions shall notify the department of revenue of any companies that are not in compliance with this section.

(3) A qualified Montana capital company that fails to make qualified investments pursuant to subsection (1) shall pay to the department of revenue a penalty equal to all of the tax credits allowed to the taxpayers investing in that company during that time period, with interest at 1% a month from the

date the tax credits were certified as allocated to the qualified Montana capital company. The department of revenue may abate the penalty if the capital company establishes reasonable cause for the failure to make qualified investments pursuant to subsection (1) and if the failure was not due to neglect on the part of the company.

(4) The department of revenue may grant an extension of time in which to make qualified investments pursuant to subsection (1) upon application by a capital company showing reasonable cause for an extension.

(5) The department of revenue shall deposit any amount received under this subsection to the credit of the state general fund.

**History: En. Sec. 7(2)-(4), Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983; amd. Sec. 4, Ch. 583, L. 1987; amd. Sec. 5, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1)(a) deleted language requiring investment of 30% of retained earnings within 3 years of fiscal year ending and inserted language relating to investment of 30% of capital raised under amended application; in (1)(b) deleted language requiring investment of 50% of retained earnings within 4 years of fiscal year ending and inserted language relating to investment of 50% of capital raised under amended application; in (1)(c) deleted language requiring investment of 70% of retained earnings within 5 years of fiscal year ending and inserted language relating to investment of 70% of capital raised under amended application; inserted (4) allowing Department of Revenue to grant extension to make qualified investments upon application showing reasonable cause; and made minor change in phraseology.

**90-8-302. Restriction on investment.** In addition to the requirements of 90-8-301, no more than 50% of the equity raised by a Montana capital company may be invested in any one business, and no more than 25% of the total funds raised for which tax credits were claimed pursuant to the investment credit provisions of this chapter may be invested in any one business.

**History: En. Sec. 9, Ch. 554, L. 1983; amd. Sec. 6, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At beginning inserted "In addition to the requirements of 90-8-301" and in two places, before "business", deleted "Montana"; and made minor change in phraseology.

**90-8-303. Conflict of interest.** (1) (a) The members of the board, the commissioner of financial institutions, or a bank examiner may not have a monetary interest in or be a borrower from any Montana capital company, either directly or indirectly.

(b) These restrictions do not prohibit the board, acting as a whole, from purchasing debentures issued by a Montana capital company.

(2) A member of the investment committee of a Montana capital company who has an interest in a venture that comes before the committee for a vote shall disclose such interest and abstain from voting on investment in the venture.

**History: En. Sec. 10, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983; amd. Sec. 7, Ch. 124, L. 1987.**

**90-8-304. Application of securities law.** In lieu of registration under Title 30, chapter 10, a certified Montana capital company may file all disclosure documents, along with a consent to service of process, with the state securities commissioner. The commissioner may not charge a fee for such filing.

**History: En. Sec. 14, Ch. 554, L. 1983; amd. Sec. 12, Ch. 272, L. 1987.**

**90-8-305. Sale of debentures.** (1) A qualified Montana capital company is authorized to issue and sell debentures to the in-state investment fund established in 17-6-306.

(2) Proceeds received by a qualified Montana capital company from the sale of debentures authorized in subsection (1) must be invested in accordance with the provisions of 90-8-301, except that the time periods for making qualified investments must be calculated from the date the company sells the debentures to the in-state investment fund.

**History:** **En. Sec. 1, Ch. 708, L. 1989.**

**90-8-306 through 90-8-310 reserved.**

**90-8-311. Legislative review and oversight.** The board shall report on an annual basis to the revenue oversight committee of the legislature concerning Montana capital companies.

**History:** **En. Sec. 11, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983.**

**Cross-References**

Powers and duties of Revenue Oversight Committee, 5-18-107.

**90-8-312. Investment reporting and recordkeeping.** (1) Each qualified Montana capital company shall report to the board on a quarterly basis:

(a) the name of each investor in the qualified Montana capital company who has applied for a tax credit;

(b) the amount of each investor's investment; and

(c) the amount of the tax credit allowed to the investor and the date on which the investment was made.

(2) The board shall provide the information contained in subsection (1) to the department of revenue on a quarterly basis.

(3) The board shall provide each investor in a qualified Montana capital company with a certificate authorizing the tax credit, and the certificate shall be submitted with each tax return requesting a credit under 90-8-202.

(4) Each qualified Montana capital company shall report to the board on a quarterly basis all qualified investments that the company has made. The board shall share the information with the department of revenue, in order that the provisions of 90-8-301 may be complied with.

**History:** **En. Sec. 8, Ch. 554, L. 1983; amd. Sec. 18, Ch. 554, L. 1983.**

**90-8-313. Examination.** (1) At least once a year the bank examiners of the department of commerce shall examine the books and affairs of each Montana capital company. The examination must address the methods of operation and conduct of the business of the Montana capital company to determine if the company is abiding by the purposes of this chapter and that the funds received by the company have been invested within the time limits required for a qualified Montana capital company in 90-8-301.

(2) The department of commerce may examine under oath any of the officers, directors, agents, employees, or investors of a Montana capital company regarding the affairs and business of the company. The department of commerce may issue subpoenas and administer oaths. Refusal to obey such a subpoena may at once be reported to the district court of the district in which

the company is located, and the court shall enforce obedience to the subpoena in the manner provided by law.

(3) The cost of the annual review must be paid by each Montana capital company in accordance with reasonable fees assessed by the department.

**History:** **En. Sec. 12, Ch. 554, L. 1983.**

**Cross-References**

Functions of State Banking Board and Department of Commerce, Title 32, ch. 1, part 2.

**90-8-314 through 90-8-320 reserved.**

**90-8-321. Decertification.** (1) If the examination conducted pursuant to 90-8-313 discloses that a Montana capital company is not in compliance with the provisions of this chapter, the department of commerce may exercise any of the powers with regard to banks granted in Title 32, chapter 1, part 5, and may seize the assets of the company and liquidate it. In the event of liquidation of the assets, any penalty imposed pursuant to 90-8-301 shall be included in the claims to be paid.

(2) If in the discretion of the department of commerce the action allowed under subsection (1) is not required to protect the company's investors, the department may place the company on notice that it will lose its certification as a Montana capital company within a specified period of time if the company does not come into compliance with the provisions of this chapter. The department shall automatically decertify a Montana capital company that is assessed a penalty under 90-8-301(3).

(3) As long as the department acts in good faith, the department and its employees and agents may not be held civilly or criminally liable or liable upon their official bonds for action taken under this section or for any failure to act under it.

(4) A Montana capital company may apply to the department for decertification.

**History:** **En. Sec. 13, Ch. 554, L. 1983; amd. Sec. 7, Ch. 708, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2) inserted second sentence requiring Department to automatically decertify capital company assessed penalty under 90-8-301(3); and inserted (4) allowing company to apply for decertification.

# CHAPTER 9

## AGRICULTURE DEVELOPMENT

### Part 1 — General Provisions

90-9-101. Short title.
90-9-102. Purpose.
90-9-103. Definitions.

### Part 2 — Agriculture Development Council

90-9-201. Council organization — meetings.
90-9-202. Powers and duties of the council.
90-9-203. Rulemaking.

**Part 3 — Investments**

90-9-301. Agriculture seed capital account — matching funds.
90-9-302. Agricultural business incubator program — criteria — limitations.
90-9-303. Return-on-investment agreements.
90-9-304 and 90-9-305 reserved.
90-9-306. Appropriation authority and funding — prohibited investments.
90-9-307. Accountability.
90-9-308 through 90-9-310 reserved.
90-9-311. General criteria underlying agricultural development project loans.
90-9-312. Seed capital projects — program goals.
90-9-313. Specific criteria for seed capital project loans.
90-9-314. Research and development project — program goals.
90-9-315. Specific criteria for research and development project loans.
90-9-316. Agricultural development project loan agreement — contents — council decisions final.
90-9-317. Seed capital project loan agreement — specific loan requirements — payback.
90-9-318. Research and development project loan agreement — specific loan requirements — payback.

**Part 4 — Marketing—Export Assistance**

90-9-401. Agricultural marketing enhancement.
90-9-402. Export finance assistance.

## Part 1

## General Provisions

**90-9-101. Short title.** This chapter may be cited as the "Montana Growth Through Agriculture Act".

**History:** **En. Sec. 2, Ch. 665, L. 1987.**

**90-9-102. Purpose.** It is the purpose of this chapter to strengthen and diversify Montana's agricultural industry by establishing a public-private sector partnership to assist the development of innovative agricultural business organizational improvements and the commercialization and marketing of new agricultural products in order to keep pace with a transforming agricultural industry and to create new jobs and expand small business opportunities.

**History:** **En. Sec. 3, Ch. 665, L. 1987.**

**90-9-103. Definitions.** As used in this chapter, the following definitions apply:

(1) "Act" means the Montana Growth Through Agriculture Act.

(2) "Agricultural business" means an enterprise engaged in the production, processing, marketing, distribution, or exporting of agricultural products. The term includes any related business the primary function of which is providing goods or services to an agricultural enterprise.

(3) "Agricultural development project" means either a seed capital or research and development project designed to discover, develop, transfer, use, or commercialize existing or new agricultural products or processes in order to strengthen and enhance agricultural economic development in the state.

(4) "Agricultural development project loan agreement" or "loan" means an agreement entered into between the council and the loan recipient of a seed capital project loan or a research and development project loan that:

(a) creates a debt relationship between the parties;

(b) provides for a financial return to the council;

(c) provides economic development potential to the state; and

(d) contains various provisions and terms as required by the act.

(5) "Company" means a natural person, firm, partnership, corporation, association, or other entity authorized to conduct business in the state.

(6) "Convertible debenture" means a debenture convertible into stock under certain conditions by an individual or company, but not by the council.

(7) "Council" means the Montana agriculture development council established in 2-15-3015.

(8) "Debenture" or "note" means a writing or certificate issued as evidence of debt.

(9) "Department" means the department of agriculture established in 2-15-3001.

(10) "Expansion capital project" means an agricultural technology development project undertaken to enable an individual or a company to expand its manufacturing and marketing activities in order to move its agricultural products or services into new markets or to expand existing markets.

(11) "Innovative agricultural technology" means the involvement of an agricultural product or process that embodies the use of implements, machinery, equipment, chemical formulations, resources, materials, methods, or other items in a manner that departs from previous commercial developments, practices, or applications.

(12) "Investment" means an award of money, with or without repayment requirements, for the purposes provided for in 90-9-302 and 90-9-401.

(13) "Matching funds" means the funds received in cash by the agricultural development project loan recipient from nonstate appropriated sources and contributed by the loan recipient to the project in an amount that is at least equal to the funds loaned to the recipient by the council for use in the agricultural development project.

(14) "Portfolio company" means a startup or expansion stage company that has received a seed capital project loan from the council.

(15) "Private sector" means any entity or individual, not principally a part of or associated with a governmental unit, that is associated with or involved in commercial activity.

(16) "Research and development project" means an agricultural development project that falls into the category of applied technology research or agricultural technology transfer and assistance.

(17) "Research and development project loan" means an agricultural development project loan agreement entered into between the council and a loan recipient for a research and development project.

(18) "Seed capital project" means a startup or expansion capital project.

(19) "Seed capital project loan" means an agricultural development project loan entered into between the council and a loan recipient for a seed capital project.

(20) "State" means the state of Montana.

(21) "Technology transfer and assistance project" means an agricultural development project that:

(a) transfers technology research from the laboratory to the marketplace; or

(b) provides better access and exposure to business development assistance or information for researchers or early-stage agricultural businesses that commercialize agricultural technology products.

(22) "Warrant" means an instrument issued by a corporation giving a holder other than the council the right to purchase stock of a corporation at a fixed price, either for a limited time or perpetually.

**History:** **En. Sec. 4, Ch. 665, L. 1987; amd. Sec. 10, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* Inserted definitions of act, agricultural development project, agricultural development project loan agreement, company, convertible debenture, debenture or note, department, expansion capital project, innovative agricultural technology, matching funds, portfolio company, private sector, research and development project, research and development project loan, seed capital project, seed capital project loan, state, technology transfer and assistance project, and warrant; in definition of investment substituted "90-9-302 and 90-9-401" for "this chapter"; and made minor change in phraseology. Amendment effective March 23, 1989.

## Part 2

## Agriculture Development Council

**90-9-201. Council organization — meetings.** (1) The members of the council shall select a member as chairman. In addition to the chairmanship, the council may establish other offices and select council members to fill these offices.

(2) The council shall meet quarterly and at other times as determined by the chairman or a majority of the council.

**History:** **En. Sec. 5, Ch. 665, L. 1987.**

**90-9-202. Powers and duties of the council.** The council shall:

(1) establish policies and priorities to enhance the future development of agriculture in Montana;

(2) make investments or loans in agricultural development projects that have a short- or long-term ability to stimulate agriculture development and diversification in Montana, including but not limited to:

(a) seed capital loans for development and commercialization of new products and processes;

(b) agricultural business incubators;

(c) foreign and domestic market development activities;

(d) applied technological research; and

(e) agricultural technology assistance and transfer; and

(3) accept grants or receive devises of money or property for use in making the investments or loans authorized by this chapter.

**History:** **En. Sec. 6, Ch. 665, L. 1987; amd. Sec. 11, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), near beginning, inserted "or loans"; in (2)(a) substituted "loans" for "awards"; in (3) substituted "or loans authorized by" for "described in"; and deleted (4) that granted authority to adopt rules implementing this chapter. Amendment effective March 23, 1989.

**Cross-References**

Montana Administrative Procedure Act, Title 2, ch. 4.

**90-9-203. Rulemaking.** The council shall adopt rules necessary to implement the provisions of this chapter, including but not limited to rules:

(1) governing the conduct of council business;

(2) establishing application procedures that, at a minimum, require the submittal of an executive summary for an agricultural development project loan, a business plan for a seed capital project loan, a research and development project proposal for a research and development project loan, and other documents necessary to meet the criteria established in the act;

(3) establishing procedures to be followed by the council in its review process prior to making an agricultural development project loan;

(4) establishing postdisbursement activities that describe the ongoing involvement or follow-along management of the council that may be required in an agricultural development project loan agreement.

**History: En. Sec. 9, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

## Part 3

## Investments

**90-9-301. Agriculture seed capital account — matching funds.** (1) There is an agriculture seed capital account administered by the council.

(2) The council may loan money from the agriculture seed capital account to support research relating to innovative organizational improvements in agricultural businesses and to the commercialization and marketing of new agricultural products or agricultural production processes.

(3) The council may not make a loan to an agricultural development project for which the matching funds have not been received. Matching funds are required prior to any expenditure of state funds for research and development or seed capital projects. The council may accept as matching funds those funds received by the loan recipient within 1 year prior to the execution of the loan agreement.

**History: En. Sec. 7, Ch. 665, L. 1987; amd. Sec. 12, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (2), near beginning, substituted "loan" for "invest"; inserted (3) requiring matching funds for agricultural development project loans and for research and development or seed capital projects; and deleted former (3) and (4) that read: "(3) Investments from the account must be matched by at least an equal amount raised by the applicant from sources that are not state-appropriated.

(4) Preference must be given to applications that:

(a) can be reasonably expected to provide an economic return to the applicant within a reasonable time;

(b) demonstrate a potential commercial value to other entrepreneurs in Montana;

(c) require such a grant to obtain additional private capital;

(d) involve processing or adding value to agricultural commodities produced in Montana; or

(e) provide jobs that will be substantially filled by current Montana residents." Amendment effective March 23, 1989.

**90-9-302. Agricultural business incubator program — criteria — limitations.** (1) There is an agricultural business incubator program account in the state special revenue fund. The council may invest from the account an amount not to exceed $100,000 in each agricultural business incubator. The incubator must operate as a self-financing business development entity, providing such services as training, management consultation, accounting, and office space, if necessary, to eligible agricultural businesses. Eligible agricultural businesses may include but are not limited to marketing cooperatives and associations.

(2) Investments under this section must be awarded by the council, based upon its review of the following criteria:

(a) the potential ability of the applicant to be financially self-sufficient;

(b) identification of businesses or industries targeted for development assistance;

(c) community support for the incubator program; and

(d) a plan to address business development needs of specific user groups, including but not limited to displaced farmers.

(3) Investments may be made only in agricultural business incubators that are located in different geographic areas of the state and that are not located in a municipality with a population in excess of 15,000 people. The municipality or community in which the incubator is located must provide funding or contributions on at least a dollar-to-dollar basis. Contributions by applicants may include land, buildings, or professional services.

**History:** **En. Sec. 8, Ch. 665, L. 1987; amd. Sec. 13, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), after "office space", inserted "if necessary"; near end of (3) substituted "on at least a dollar-to-dollar basis" for "of a value at least three times the amount of the investment under this section"; and made minor changes in phraseology. Amendment effective March 23, 1989.

**Cross-References**

Business incubator tax exemption, Title 15, ch. 24, part 18.

**90-9-303. Return-on-investment agreements.** The council shall enter into return-on-investment agreements for those products or processes that are to be developed and commercialized as a result of an investment under this chapter. As a part of such an agreement, the council shall require payment of a return that it considers commensurate with the risk of its original investment.

**History:** **En. Sec. 9, Ch. 665, L. 1987.**

**90-9-304 and 90-9-305 reserved.**

**90-9-306. Appropriation authority and funding — prohibited investments.** (1) The council has authority to accept and expend all funds received by it as grants, donations, or other private or public income, including amounts repaid as principal and interest on investments made by the council. These funds are statutorily appropriated to the council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and necessary expenses required for the efficient administration of this chapter must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.

(2) Council members may not personally apply for or receive council funds. If an organization with which a member is affiliated applies for council

funds, the member must disclose the nature of the affiliation and may not participate in the decision of the council regarding the application.

**History: En. Sec. 10, Ch. 665, L. 1987; amd. Sec. 14, Ch. 284, L. 1989; amd. Sec. 13, Ch. 628, L. 1989.**

**Compiler's Comments**

*1989 Amendments:* Chapter 284 deleted former (2) that read: "(2) No investment may be made in projects for which matching funds or participation of financial intermediaries is required until such funds have been committed"; and in (2), near end of first sentence before "funds", deleted "investment". Amendment effective March 23, 1989.

Chapter 628 in (1), at end after "as provided in 17-7-502", inserted "for the purposes of this chapter" and inserted exception clause requiring the expenditures to be from temporary appropriations; and made minor changes in punctuation and phraseology. Amendment effective July 1, 1989.

**Cross-References**

Public employees and officers — standards of conduct, Title 2, ch. 2.

**90-9-307. Accountability.** The council shall develop independent review and audit procedures to ensure that investments and loans made by it are used for the purposes identified in its investment and loan agreements.

**History: En. Sec. 11, Ch. 665, L. 1987; amd. Sec. 15, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In two places inserted references to loans; and deleted former (2) that read: "(2) The council's investment agreements must contain provisions considered necessary by the council to ensure the proper inspection and review of projects, the attainment of project goals, and the maintenance of adequate financial records by recipients of council funds." Amendment effective March 23, 1989.

**90-9-308 through 90-9-310 reserved.**

**90-9-311. General criteria underlying agricultural development project loans.** The council may make an agricultural development project loan only upon a favorable determination that the proposed agricultural development project:

(1) is consistent with the findings and purposes of the act because it incorporates innovative agricultural technology;

(2) has prospects for collaboration between the public and private sectors of the state's economy;

(3) has prospects for achieving commercial success and for creating new jobs in the state;

(4) has potential for commercial success related to the specific product, process, or business development methodology proposed;

(5) can provide matching funds;

(6) has potential to benefit existing agricultural business;

(7) can be reasonably expected to provide an economic return within a reasonable period of time;

(8) involves processing or adding value to agricultural products produced in the state; and

(9) has a management structure that allows ongoing postdisbursement involvement by the council.

**History: En. Sec. 1, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-312. Seed capital projects — program goals.** (1) The council may make a seed capital project loan to a seed capital project if it determines that the project meets the loan criteria established in 90-9-311 and 90-9-313 and further determines that the project meets the goals established in subsection (2) and involves development and commercialization of innovative agricultural products or processes.

(2) The goals of this program are:

(a) to assist in the development of innovative technology in the state by providing a source of capital to the agricultural-based sector of the state's economy;

(b) to provide financing and follow-along management support for agricultural businesses in the state that are attempting to develop agricultural products or processes based on innovative technologies; and

(c) to provide a liaison between agricultural businesses in the state and investors in an effort to enhance the pool of capital available to agricultural businesses in the state.

**History: En. Sec. 2, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-313. Specific criteria for seed capital project loans.** The council may make a seed capital project loan only if it determines that the proposed project complies with the criteria and goals set forth in 90-9-311 and 90-9-312 and further determines that:

(1) the project develops or employs innovative agricultural products or processes that promise a significant competitive advantage;

(2) the project requires financing that is not available from conventional lending sources;

(3) the project provides an opportunity to preserve the principal of the loan amount and to earn a monetary return;

(4) the company is located or preparing to locate within the state;

(5) the project demonstrates a capacity to diversify or add value to the state's agricultural businesses;

(6) the company's management team possesses sufficient agricultural business experience;

(7) the company has potential for creating and retaining jobs and stimulating tax revenue growth in the state;

(8) the company's agricultural product or process is targeted for a commercial market;

(9) the company's product or process is of sufficient quality to significantly impact the target market; and

(10) if applicable, the company's business plan is designed to provide financing, marketing, and production milestones to accomplish the proposed commercialization.

**History: En. Sec. 3, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-314. Research and development project — program goals.** (1) The council may make a research and development project loan if it determines that the project meets the loan criteria established in 90-9-311 and 90-9-315 and further determines that the project meets the goals established in subsection (2).

(2) The goals of this program are:

(a) to significantly upgrade existing agricultural research capabilities within the state's research and development institutions and organizations;

(b) to provide financial support to individual research projects that have significant potential to advance development of agricultural business in the state;

(c) to facilitate the process of transferring research from the laboratory to the commercial marketplace;

(d) to provide financial support for the development of advanced research capabilities within the state's university system through the acquisition of facilities, equipment, or personnel;

(e) to facilitate the flow of information to agricultural-based businesses in the state in order to assist those businesses in reaching their full commercial potential; or

(f) to improve the information and resources available to the state's agricultural businesses involved in commercialization of innovative agricultural products and processes.

**History: En. Sec. 4, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-315. Specific criteria for research and development project loans.** The council may make a research and development project loan only if it determines that the proposed project substantially complies with the criteria and goals set forth in 90-9-311 and 90-9-314 and further determines that the project:

(1) has the potential to diversify or add value to the state's agricultural economy;

(2) demonstrates a clear path to commercial development of the research results within the state;

(3) involves university system research participation, if appropriate;

(4) employs or otherwise takes advantage of existing research and development strengths within the state's university and private research establishment;

(5) involves a realistic and achievable research project design;

(6) develops or employs innovative agricultural products or processes; and

(7) is located within the state.

**History: En. Sec. 5, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-316. Agricultural development project loan agreement — contents — council decisions final.** (1) If the council determines that an agricultural development project meets the criteria established in this chapter and has complied with the applicable procedures and review processes established by the council, the council may enter into an agricultural development project loan agreement with the company and authorize the disbursement of funds to the company.

(2) The loan agreement, at a minimum, must contain the following provisions:

(a) the project budget;

(b) the financing, marketing, and production milestones for the project that describe project tasks to be achieved at designated times in each area;

(c) the reporting requirements, including but not limited to:

(i) financial statements to be submitted on at least an annual basis as determined by the council;

(ii) quarterly commercialization progress reports;

(iii) annual reports; and

(iv) reports on any significant project transactions;

(d) the disbursement schedule for the loan;

(e) the payback to the council;

(f) the causes for loan revocation, suspension, or termination; and

(g) the intellectual property provisions.

(3) All decisions of the council are final and are not subject to the contested case provisions of Title 2, chapter 4.

**History: En. Sec. 6, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-317. Seed capital project loan agreement — specific loan requirements — payback.** (1) In addition to the loan requirements of 90-9-316, a seed capital project loan must be structured as contracted debt, including but not limited to the following terms:

(a) an interest rate set at a level that provides for a return to the council, from paybacks by all of its portfolio companies, an amount at least equal to the principal amount of the loan and that provides for a market rate of return when considering the overall benefit to the state derived from the projects;

(b) a provision in the note that may defer debt service until maturity of the note, the term of which may not exceed 8 years;

(c) a loan amount that may not exceed $50,000 in any one round of financing. Successive rounds of financing in which the council participates for any one company may not occur within a 9-month period. The total amount that may be loaned to any one company may not exceed $150,000.

(d) a provision that the note becomes due in full upon dissolution or liquidation of the company;

(e) a provision that the company will provide the council with a second priority security interest in all of the equipment used in the company's business, accounts receivable, and inventory to secure repayment of the loan;

(f) a provision that the priority security interest in the company's assets referred to in subsection (1)(e) will be evidenced by appropriate forms required to secure the assets as provided in Title 30, chapter 9.

(2) In addition to the provisions in 90-9-316 and subsection (1) of this section, a seed capital project loan agreement may provide for any of the following:

(a) a convertible debenture;

(b) a warrant held by the council; or

(c) a warrant held by a third party for the benefit of the council.

**History: En. Sec. 7, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

**90-9-318. Research and development project loan agreement — specific loan requirements — payback.** In addition to the loan requirements of 90-9-316, a research and development project loan agreement must be structured as contracted debt, including but not limited to the following terms:

(1) The agreement must include provisions calling for a payback of two times the original loan amount, paid as a percentage of the income stream derived from the sale or other commercialization of products or processes developed with the council's financing. This percentage rate may not exceed 5%.

(2) The payback for an agricultural technology transfer and assistance project loan may be made pursuant to subsection (1) or may be realized in terms of indirect benefits related to the goals and criteria of the act. No more than 10% of the council's funds designated for research and development in any one fiscal year may be used for agricultural technology transfer and assistance loans.

**History: En. Sec. 8, Ch. 284, L. 1989.**

**Compiler's Comments**

*Effective Date:* Section 20, Ch. 284, L. 1989, provided that this section is effective March 23, 1989.

## Part 4

## Marketing — Export Assistance

**90-9-401. Agricultural marketing enhancement.** The council shall assist in identification and development of new domestic and foreign markets for Montana agricultural products. The council shall:

(1) assist in placing one full-time professional marketing person in Japan or another Pacific Rim country to develop export marketing opportunities in the Pacific region;

(2) provide assistance for appropriate trade missions of Montana producers, processors, or distributors of agricultural products on a cost-share basis; and

(3) assist in other appropriate means of enhancing domestic markets for Montana agricultural products.

**History: En. Sec. 12, Ch. 665, L. 1987; amd. Sec. 16, Ch. 284, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* In (1), at beginning, substituted "assist in placing" for "place" and after "Japan" inserted "or another Pacific Rim country". Amendment effective March 23, 1989.

**90-9-402. Export finance assistance.** The council shall provide professional assistance to persons who apply for financial assistance for the purpose of developing export sales of Montana agricultural products.
**History:** **En. Sec. 13, Ch. 665, L. 1987.**

# CHAPTER 10

## RESERVED

# CHAPTER 11

## INDIAN AFFAIRS PLANNING AND COORDINATION

### Part 1 — State Coordinator of Indian Affairs

90-11-101. Legislative policy.
90-11-102. Duties and assistance.

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**Chapter Cross-References**

Compact with the United States, Art. I, Mont. Const.

Educational goals and duties — preservation of Indian heritage and culture, Art. X, sec. 1, Mont. Const.

Cession and retrocession of jurisdiction over Blackfeet highway, 2-1-206.

Jurisdiction on Indian lands, Title 2, ch. 1, part 3.

Federal funds for welfare of Indians, 17-3-107.

State-tribal cooperative agreements, Title 18, ch. 11.

Tribal agreement with district for Indian child compulsory attendance and other agreements, 20-5-108.

Cultural and aesthetic grants, Title 22, ch. 2, part 3.

Montana Historical Society — authority of Board, 22-3-107.

Sale of imitation Indian articles, Title 30, ch. 14, part 6.

Solemnization of Indian marriage, 40-1-301.

Parent-child legal relationship termination — not to disentitle to tribal benefits, 41-3-611.

Prisoners — supervised release program — Indian tribe as sponsor, 46-23-401.

Vital statistics — disclosure to determine tribal enrollment, 50-15-112, 50-15-206.

Indian and federal water rights, Title 85, ch. 2, part 7.

Fort Peck — Montana Compact, 85-20-201.

Agreement with Indians concerning hunting and fishing — Indian treaty of 1855, 87-1-228.

## Part 1

## State Coordinator of Indian Affairs

**Part Cross-References**

Office of State Coordinator of Indian Affairs, Department of Commerce, 2-15-1813.

**90-11-101. Legislative policy.** (1) Whereas, a considerable portion of the citizens of the state of Montana are members of the Indian race; and

(2) Whereas, in the course of the past 80 years these Indian citizens of the state of Montana have been driven from their native valleys and plains and are at present living and residing upon reservations set apart for such purposes by the United States of America, and by virtue of that isolation and

of supervision by the federal government, great problems of economic and social significance have arisen and presently exist, and no suitable progress has been made to solve such problems by reason of the fact that the Indians and those who are attempting to aid them in the solution of their problems have never been able to present a coordinated and united effort in solving such problems; and

(3) Whereas, it is hereby declared that it is the legislative policy of this state that the best interests of the Indians will be served by the fostering of a program which is designed to establish and place our Indian citizens in a position to take their rightful place in our society and assume the rights, duties, and privileges of full citizenship and as Indians, it is therefore necessary that a state office of the coordinator of Indian affairs be established so that the problems of the Indians of Montana can be approached and reconciled from a state level in cooperation with the United States of America; and

(4) Whereas, agencies of the federal government retain jurisdiction on Indian reservations in the state of Montana of the administration of economic, social, health, education, and welfare programs for Indians; and

(5) Whereas, Indians who reside off reservations generally qualify for participation in federal programs but are often prohibited from voting on tribal affairs and for tribal officers; and

(6) Whereas, there are sizeable numbers of off-reservation Indians residing in our state of both enrolled and unofficial tribal descent (landless) whose needs for environmental assistance are borne by state and local agencies, and these needs are derived from problems shared by all Indians, whether they reside on reservations or not, and in consideration of their desire for official voice and representation in seeking solutions to their problems; and

(7) Whereas, programs of the state of Montana should not duplicate those supported by agencies of the federal government as regards jurisdiction of Indian people, and since state responsibility is effected with off-reservation Indians and since those Indians require assistance to coordinate their affairs with various tribal groups and federal agencies where they have no official recognition;

(8) Then therefore, let it be resolved that the coordinator of Indian affairs should assess the problems of all Indians to include those who reside off known reservations and who seek ways and means of communicating their opinions and needs to agencies of responsibility and that the coordinator should actively assist them in organizing their efforts and that he act as representative and spokesman for organized bodies of Indian people, whether reservation or off-reservation classification, whenever his assistance is required.

**History: En. Sec. 1, Ch. 203, L. 1951; amd. Sec. 1, Ch. 319, L. 1969; amd. Sec. 1, Ch. 160, L. 1974; R.C.M. 1947, 82-2701; MCA 1979, 2-15-1112; redes. 90-11-101 by Sec. 20, Ch. 274, L. 1981.**

**Cross-References**

Affirmation of disclaimer — compact with the United States, Art. I, Mont. Const.

Educational goals for preservation of Indian culture, Art. X, sec. 1, Mont. Const.

Disclaimer of rights to Indian lands, The Enabling Act § 4 (see annotations vol. 1, Federal Materials).

**90-11-102. Duties and assistance.** (1) It shall be the duty of the state coordinator of Indian affairs to carry out the legislative policy set forth in 90-11-101.

(2) He shall acquaint himself with the problems confronting the Indians of Montana, and he shall advise the legislative and executive branches of the state of Montana of those problems and shall make recommendations for the alleviation thereof. He shall also serve the Montana delegation in the federal congress as an adviser and intermediary in the field of Indian affairs and shall act as spokesman for representative Indian organizations and groups, public and private, whenever his support is solicited.

(3) All executive and legislative agencies of state government may within the area of their expertise and authority provide assistance to tribal councils or their official designees requesting such assistance on any matter relating to coal development on Indian reservation lands and may make an appropriate charge therefor.

**History: (1), (2)En. Sec. 3, Ch. 203, L. 1951; amd. Sec. 3, Ch. 319, L. 1969; amd. Sec. 3, Ch. 160, L. 1974; Sec. 82-2703, R.C.M. 1947; (3)En. Sec. 1, Ch. 221, L. 1973; Sec. 82-2705, R.C.M. 1947; R.C.M. 1947, 82-2703, 82-2705; MCA 1979, 2-15-1113; redes. 90-11-102 by Sec. 20, Ch. 274, L. 1981.**

**Cross-References**

Strip and underground mine siting, Title 82, ch. 4, part 1.

Coal and uranium mine reclamation, Title 82, ch. 4, part 2.

## CHAPTERS 12 THROUGH 14

## RESERVED

## CHAPTER 15

## NATURAL RESOURCE INFORMATION SYSTEM

### Part 1 — General

90-15-101. Purpose.
90-15-102. Definitions.
90-15-103. Funding.

### Part 2 — Advisory Committee

90-15-201. Duties of committee.
90-15-202. Committee staff.
90-15-203. Expenses of committee members — meetings.

### Part 3 — Information System

90-15-301. Establishment of information system.
90-15-302. Natural heritage program.
90-15-303. Interagency cooperation.
90-15-304. Availability of information.

## Part 1

## General

**90-15-101. Purpose.** It is the purpose of this chapter to establish a planning framework for the development of a natural resource information system, to implement the system, and to establish an ongoing Montana natural heritage program.

**History:** **En. Sec. 1, Ch. 650, L. 1983; amd. Sec. 2, Ch. 395, L. 1985.**

**90-15-102. Definitions.** As used in this chapter, the following definitions apply:

(1) "Committee" means the natural resource data system advisory committee created by 2-15-1514.

(2) "Library" means the state library provided for in 22-1-201.

(3) "Natural heritage program" means a program of information acquisition, storage, and retrieval for data relating to the flora, fauna, and biological community types of Montana.

(4) "Principal data source agencies" means any of the following state agencies: the department of natural resources and conservation; the department of fish, wildlife, and parks; the department of state lands; the department of health and environmental sciences; the department of agriculture; the department of highways; the state historical society; and the Montana university system.

**History:** **En. Sec. 2, Ch. 650, L. 1983; amd. Sec. 3, Ch. 395, L. 1985.**

**90-15-103. Funding.** The library and each principal data source agency may apply for and may receive funding from private and public sources for the purposes of this chapter.

**History:** **En. Sec. 9, Ch. 650, L. 1983; amd. Sec. 4, Ch. 395, L. 1985; amd. Sec. 14, Ch. 628, L. 1989.**

**Compiler's Comments**

*1989 Amendment:* At end deleted "and any such funds are statutorily appropriated to the library or to the appropriate principal data source agency for such purposes as provided in 17-7-502". Amendment effective July 1, 1989.

## Part 2

## Advisory Committee

**Part Cross-References**

Natural Resource Data System Advisory Committee, 2-15-1514.

**90-15-201. Duties of committee.** The committee shall examine the following matters and make recommendations to the library concerning:

(1) criteria for the categories and types of data to be collected for a natural resource information system;

(2) criteria for the format of data collection;

(3) identification of existing sources of relevant data in the public sector;

(4) identification of data acquisition, storage, and retrieval methodologies that are economical and efficient, that minimize or eliminate the duplication of data bases, and that utilize computer networking;

(5) probable costs to agencies furnishing required data and probable costs of managing the data;

(6) probable benefits to be realized by the establishment of a natural resource information system;

(7) operation of the Montana natural heritage program; and

(8) other items the committee considers of importance to the establishment of a natural resource information system.

**History: En. Sec. 3, Ch. 650, L. 1983; amd. Sec. 5, Ch. 395, L. 1985.**

**90-15-202. Committee staff.** The library shall provide staff support to the committee, within the limits of the library's available resources.

**History: En. Sec. 3, Ch. 650, L. 1983; amd. Sec. 6, Ch. 395, L. 1985.**

**90-15-203. Expenses of committee members — meetings.** (1) Committee members, while engaged in committee business, are entitled to be reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503. These expenses shall be borne by the agency employing the member. Each member serves at the pleasure of the respective appointing authority.

(2) The committee shall establish its own format for the conduct of meetings.

**History: En. Sec. 3, Ch. 650, L. 1983.**

## Part 3

## Information System

**90-15-301. Establishment of information system.** (1) The library, in consultation with the committee, shall establish a planning framework for the implementation of a natural resource information system and shall begin implementation of the plan. This system is to be a comprehensive program for the acquisition, storage, and retrieval of existing data relating to the natural resources of Montana.

(2) The library shall give attention to the factors listed in 90-15-201 and shall prepare any legislation necessary to implement the system.

(3) It is not intended that the system shall require fieldwork to produce data. The system is intended to facilitate the management of data collected by state agencies in the normal course of their operations.

**History: En. Sec. 4, Ch. 650, L. 1983; amd. Sec. 7, Ch. 395, L. 1985.**

**Cross-References**

State information and research system, 90-1-109.

**90-15-302. Natural heritage program.** (1) There is a Montana natural heritage program to be operated by the library. In order to establish the program, the library may contract with an independent contractor or may employ necessary staff. In order to minimize costs, the library or other state agencies may make available state resources and facilities to an independent contractor as part of a contract for services.

(2) The Montana natural heritage program shall be designed to be compatible with similar programs in other states. This program is to be an initial

step in the formulation of the comprehensive natural resource information system referred to in 90-15-301 and is to be considered a part of the system.

**History:** **En. Sec. 5, Ch. 650, L. 1983; amd. Sec. 8, Ch. 395, L. 1985.**

**90-15-303. Interagency cooperation.** (1) State agencies shall cooperate with the library and the committee in the planning of the natural resource information system.

(2) Within the limits of available resources, state agencies shall provide data requested by the library for purposes of the Montana natural heritage program. If an agency does not possess requested data or is unable to locate requested data, the agency shall inform the library. It is not necessary for an agency to conduct fieldwork or literature searches to obtain requested data.

**History:** **En. Sec. 6, Ch. 650, L. 1983; amd. Sec. 9, Ch. 395, L. 1985.**

**90-15-304. Availability of information.** (1) Except as provided in subsection (3), the library shall make information from the natural resource information system available to local, state, and federal agencies and to the general public.

(2) The library may establish a fee system for information requests in order to cover the costs of providing requested information.

(3) If necessary, the library shall establish procedures to protect confidential information in the possession of state agencies.

**History:** **En. Sec. 7, Ch. 650, L. 1983; amd. Sec. 10, Ch. 395, L. 1985.**

**Cross-References**

Right to know, Art. II, sec. 9, Mont. Const.

Public records generally, Title 2, ch. 6, part 1.

# TITLES 91 - 99

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